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GETTING THE MOST FROM FEDERAL PROGRAMS: SOCIAL SECURITY (Retirement, Survivors, Disability), SUPPLEMENTAL SECURITY INCOME, MEDICARE

AN INFORMATION PAPER

PREPARED FOR USE BY THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE

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PREFACE

The Social Security Program touches the lives of nearly every American. Established by the Social Security Act of 1935, the program is perhaps the greatest achievement to emerge from the Great Depression Era. When originally enacted, the program symbolized a national commitment to protect all Americans from destitution and despair. This commitment continues today.

Over the years, the program has evolved and now comprises four distinct programs: Old Age or Retirement; Survivors; Disability; and Medicare (Social Security's companion health program). Last year, about 39 million people received Social Security benefits. More than 90 percent of all persons age 65 or older were Social Security beneficiaries. Clearly, the program continues to be an important source of protection for the vast majority of older Americans.

Established in 1972, the Supplemental Security Income (SSI) Program today helps protect our Nation's poor elderly, blind and disabled. This program is intended to help meet the basic income needs of those who do not qualify for Social Security benefits or whose Social Security benefits are inadequate for subsistence. In 1990, almost 5 million individuals received benefits under this program.

The four programs that comprise Social Security, as well as the SSI Program, can help you maintain a reasonable standard of living. A basic understanding of how these programs work can help you take advantage of each program's benefits to the fullest extent. It is our hope that the information contained in the following pages will help you become a better advocate for yourself. As a final word, three thoughts:

1. It is your responsibility to apply for benefits. You will not automatically receive benefits. **You must apply.**
2. If you have any questions regarding any of these programs or want to apply, contact the Social Security Administration in your area. The number is listed in your telephone book.
3. It is your right to receive the maximum benefits to which you are entitled. The Social Security representatives are there to serve you. Be persistent. Your persistence will pay off.

DAVID PRYOR,
Chairman.

WILLIAM S. COHEN,
Ranking Minority Member.

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CHAPTER 1—SOCIAL SECURITY PROGRAM—RETIREMENT, SURVIVORS, AND DISABILITY

OVERVIEW

Social Security is a Federal Government program designed to help you and your dependents maintain a reasonable standard of living. The program was established in 1935 under President Franklin D. Roosevelt and has evolved continuously over the years.

Like many people, you may think that Social Security is only a retirement program. It is true that most Social Security beneficiaries—about 60 percent—receive retirement benefits. However, many others receive benefits because they are disabled, widowed, or because they are a dependent of someone who receives Social Security benefits. In fact, today, Social Security consists of four distinct programs:

1. Old Age or Retirement
2. Survivors
3. Disability
4. Medicare

In 1990, about 39 million people—almost 1 out of every 6 Americans—collected some kind of Social Security benefit. These benefits totalled more than $240 billion. It is important to remember that the Social Security benefits you receive come from the money that you or your spouse have paid into the program during your working years.

In order to fully benefit from the Social Security program, you should have a basic understanding of how the program works. The next few pages contain general questions and answers about the Social Security program. Questions and answers that specifically pertain to retirement, disability, and survivors benefits follow. A discussion of the Medicare program begins on page 37.

We hope this information will encourage you and your family to seek the full benefits to which you are entitled. If you have questions about any aspect of the Social Security program, do not hesitate to contact the Social Security Administration.

Be persistent! They are there to serve you.

How Does the Social Security Program Work?

The Social Security program is based on a simple idea. You pay Social Security taxes into the system during your working years, and you and certain members of your family receive monthly benefits when you retire or become disabled. Or, your survivors collect benefits when you die. Social Security benefits are paid from a government trust fund accumulated from taxes you and your employer have paid on your earnings. These taxes are used to pay for all re-

tirement, disability, and survivors benefits. A portion of these taxes is also used to pay for a part of your Medicare coverage.

To receive benefits, you must have:

1. Worked in a job that is covered by Social Security, called "*covered employment.*" (Most jobs are, as discussed in the following section);

2. *Paid Social Security taxes* on the money you've earned in your covered employment; and

3. *Earned enough credits* to be eligible to receive benefits. (As you will see, the number of credits that you need will depend on a number of factors, including the type of benefit for which you are applying.)

For most people who have worked steadily, becoming eligible to receive Social Security benefits happens as a matter of course.

While Social Security is intended to ensure a more secure financial future for you and your family, it is not intended to be your only source of income. Rather, it is meant to supplement savings, pensions, insurance, and other investments you have accumulated during your working years.

Is My Job Covered Under the Social Security Program?

Almost all jobs—nine out of ten—are covered under the Social Security system. There are a few exceptions, however. If your job falls under any of the following categories, it may not be considered "covered employment."

1. If you are a *Federal Government employee hired before 1984.* You are covered by Medicare, but generally not by Old-Age/Retirement, Survivors, and Disability. Instead, you are probably covered by a Civil Service Retirement or a similar retirement plan.

2. If you are a *worker in a State or local government.* About 25 percent of workers in State or local governments have their own pension system.

3. If you are a *railroad worker.* Railroad workers are covered under a separate federally-administered retirement system that is run in conjunction with Social Security.

4. If you are a *religious practitioner*—such as a priest, rabbi, or minister—and you have chosen not to be covered and do not pay Social Security taxes.

5. If you are *self-employed and have a very low net income.*

6. There are other miscellaneous categories of jobs that are not considered "covered employment." If you have any doubt whether your specific job is covered under the Social Security system, contact the Social Security Administration.

What Taxes Do I Pay for Social Security Benefits?

When you work in covered employment, you and your employer pay Social Security taxes based on your earnings. Or, if you are self-employed, you alone pay Social Security taxes on your earnings.

IF YOU WORK FOR SOMEONE ELSE

You and your employer each pay two separate payroll taxes on your earnings. These two taxes are the "Old-Age, Survivors, and

Disability Insurance (OASDI)" tax, which pays for cash benefits to Social Security beneficiaries, and the "Hospital Insurance (HI)" tax, which pays for hospital benefits for people covered by Medicare. Together, the OASDI and HI taxes are called "payroll taxes."

In 1991, you and your employer each pay payroll taxes equal to 7.65 percent (6.2 percent for OASDI and 1.45 percent for HI) of your earnings, up to a "maximum taxable amount". In 1991, you and your employer each pay the 6.2 percent tax on your earnings up to $53,400—the maximum taxable amount for OASDI, and the 1.45 percent tax on your earnings up to $125,000—the maximum taxable amount for HI.

Your share of taxes is deducted from your paycheck. On your payroll slip, the deduction might be labeled "FICA", which stands for "Federal Insurance Contributions Act", the law that authorized the Social Security payroll tax. Your employer matches the amount of payroll taxes that are deducted from your paycheck.

These are the payroll taxes that you and your employer will pay in 1991 if you earn $20,000:

Exampie of 1991 Payroll Taxes If You Earn $20,000

	Tax Rate	Earnings	Amount of Tax
Employee	7.65%	$20,000	$1,530
Employer	7.65%	20,000	1,530
Total			3,060

IF YOU MAKE MORE THAN $53,400

If you make more than $53,400 in 1991, you continue to pay the Medicare portion of the Social Security tax—the HI tax—up to $125,000. For example, these are the payroll taxes that you and your employer will pay in 1991 if you earn $60,000:

Example of 1991 Payroll Taxes if You Earn $60,000

	Tax Rate	Earnings	Amount of Tax
Employee, OASDI	6.2%	$53,400	$3,310.80
Employee, HI	1.45%	60,000	870.00
Employer, OASDI	6.2%	53,400	3,310.80
Employer, HI	1.45%	60,000	870.00
Total			$8,361.60

IF YOU WORK FOR YOURSELF

You are considered self-employed if you are engaged in a trade, business, or profession. In general, if your net income (income after you deduct your business expenses) is $400 or more for the year, you must pay Social Security self-employment taxes. You report your earnings for Social Security purposes on Internal Revenue Service (IRS) Schedule SE (Social Security Self-Employment Tax) when you file your annual Federal income tax return (IRS Form 1040).

In 1991, if you are self-employed, you pay Social Security taxes of 15.3 percent (12.4 percent for OASDI and 2.9 percent for HI) on 92.35 percent of your net income, up to $53,400. If your taxable net income is greater than $53,400, you continue to pay the HI tax of 2.9 percent, up to $125,000.

To ensure that you do not pay more than your fair share of payroll taxes, you are entitled to deduct one-half of your Social Security taxes on your Federal annual income tax return.

If you would like to receive more information about self-employment taxes, **request a free copy of the fact sheet "If You're Self-Employed" from the Social Security Administration.**

YOUR EMPLOYER'S RESPONSIBILITY

If you work for someone else, it is your employer's responsibility to report your wages and to submit the payroll taxes (both your share and your employer's matching share) to the Internal Revenue Service. Using this information, the Social Security Administration then keeps track of your earnings using your "Social Security Identification Number."

You probably already have a Social Security number. However, if you do not (or if you have lost your Social Security card or if you need to change your name on your current card), contact the Social Security Administration. You will be required to fill out an "Application for a Social Security Card" and to show certain forms of identification. This form is reproduced on page 13.

YOUR RESPONSIBILITY

Although it is your employer's responsibility to submit Social Security taxes on your behalf, you should periodically check your earnings record to make sure there are no mistakes. Sometimes, an employer may forget to submit the payroll taxes. Or, if you have changed your name, your earnings may be mistakenly posted to someone else's record.

In any case, **it is a good habit to check your record every two or three years.** It is a simple and painless procedure that could prevent you from losing many thousands of dollars in benefits. See the section below entitled "How Can I Get A Written Estimate of My Benefits?" on page 6.

How Do I Earn Credits?

To receive benefits, it is not enough to have worked in a job covered by the Social Security system. You must also have worked in covered employment long enough to have earned enough "credits"

to be insured. (There are exceptions for dependents or survivors who are entitled to collect benefits on another person's Social Security record.) For most working people, earning the requisite number of credits comes as a matter of course.

A Social Security "credit" is also called a "quarter of coverage." **In 1991, you earn one credit for every $540 in earnings.** You can earn up to a maximum of four credits per year. It makes no difference when you earn your credits. For example, if you earned $2,160 on January 1, you will earn all four credits ($540 X 4) in one day. Or, it may take you all year to earn even one credit. You cannot, however, earn more than four credits in one year, regardless of how much you earn during the year. These rules apply whether you work for someone else or you are self-employed. However, special rules apply for domestic workers, as explained below.

Here is a list for the last ten years of the amount of earnings you needed to earn one credit:

Earnings Needed For One Credit

Year	Earnings
1991	$540
1990	520
1989	500
1988	470
1987	460
1986	440
1985	410
1984	390
1983	340
1982	340

Before 1978, different rules for earning credits applied. Through the end of 1977, you earned one credit for any calendar quarter in which you earned at least $50 in covered employment. A "calendar quarter" is a 3-month period that ends on March 31, June 30, September 30, or December 31. Thus, if you earned at least $50 in each 3-month period, you earned the maximum four credits for the year. This method of earning credits was changed for all workers, except household workers, beginning in 1978. Beginning that year, it no longer makes any difference whether you work in each calendar quarter. Rather, you receive credits based only on your annual earnings.

SPECIAL RULES FOR HOUSEHOLD WORKERS

If you are a household worker—a maid, cook, cleaning person, gardener, handyman, or babysitter—you earn credits under the pre-1978 rules. Thus, if you earn $50 or more in cash wages during a 3-month period, your employer is generally required to deduct

Social Security taxes from your paycheck. There are a few limited exceptions to this general rule.

Your employer must send to the Internal Revenue Service (IRS) both the Social Security taxes and a report of the wages you have earned using IRS Form 942 (Employer's Quarterly Tax Return for Household Employees). Your employer must also give you a W–2 (Wage and Tax Statement) by January 31 after the year in which you earned your wages.

If your employer fails to report your wages on time, your employer may be required to pay a penalty, in addition to overdue taxes. More importantly, **you may be the bigger loser if, by your employer's failure to report your wages, you do not earn the credits you need to quality for the benefits to which you would have otherwise been entitled.** So, if you or your employer question the value of reporting your wages, consider what this could mean for you and your family in the future.

If you or your employer would like to receive more information, **contact the Social Security Administration and request the free one-page explanation entitled "Household Workers."**

HOW MANY CREDITS DO I NEED TO RECEIVE BENEFITS?

The number of credits you need to qualify for benefits depends on your age and the type of benefit for which you are applying. If you turn age 62 in 1991, you need 40 credits, or about ten years of work, to receive retirement benefits. If you reached age 62 before 1991, you need fewer credits.

You need fewer credits to be eligible for disability benefits, or for your family members to be eligible for survivors benefits if you should die. More details about the number of credits needed to receive retirement, disability and retirement benefits are provided under the discussion of each respective program.

How Are My Social Security Benefits Figured?

As explained above, you must earn the required number of credits to be eligible for benefits. The amount that you (and those who are eligible to receive benefits based on your earnings record) actually collect, however, is determined by several factors, including your date of birth, the type of benefit for which you are applying and, most importantly, the amount of your earnings. More details on retirement, disability, and survivors benefits are provided under the discussion of each respective program.

You should be aware that since 1975, Social Security benefits have automatically increased each year to reflect increases in inflation. Thus, you can expect the value of your benefits to be protected from price increases.

HOW CAN I GET A WRITTEN ESTIMATE OF MY BENEFITS?

The easiest way to find out the benefits you will receive is by contacting the Social Security Administration. The Social Security Administration will provide you with a detailed, written personal estimate of your retirement, disability, and survivors benefits upon your request. **Ask for Form SSA–7004 (Request for Earnings and**

Benefit Estimate Statement). This form has been reproduced on page 8.

In about 6 weeks or less, you will receive a statement that will indicate:

- the number of credits that you have earned;
- the number of credits that you still need to earn to receive retirement, disability, and survivors benefits;
- a list of your earnings subject to Social Security tax, as well as your Social Security tax payments by year;
- estimates of your monthly retirement benefits at ages 62, 65, and 70; and
- estimates of disability and survivors benefits for you and your dependents.

Do not be surprised if the statement that you receive does not include information for the last 2 years. It sometimes takes the Social Security Administration that long to update your records.

Form Approved
OMB No. 0960-0466 SP

SOCIAL SECURITY ADMINISTRATION

Request for Earnings and Benefit Estimate Statement

To receive a free statement of your earnings covered by Social Security and your estimated future benefits, all you need to do is fill out this form. Please print or type your answers. When you have completed the form, fold it and mail it to us.

1. Name shown on your Social Security card:

First Middle Initial Last

2. Your Social Security number as shown on your card:

☐☐☐-☐☐-☐☐☐☐

3. Your date of birth: Month Day Year

4. Other Social Security numbers you have used:

☐☐☐-☐☐-☐☐☐☐

☐☐☐-☐☐-☐☐☐☐

5. Your Sex: ☐ Male ☐ Female

6. Other names you have used (including a maiden name):

7. Show your actual earnings for last year and your estimated earnings for this year. Include only wages and/or net self-employment income covered by Social Security.

A. Last year's actual earnings:

$☐☐☐,☐☐☐.00
Dollars only

B. This year's estimated earnings:

$☐☐☐,☐☐☐.00
Dollars only

8. Show the age at which you plan to retire: ☐☐
(Show only one age)

9. Below, show the average yearly amount that you think you will earn between now and when you plan to retire. Your estimate of future earnings will be added to those earnings already on our records to give you the best possible estimate.

Enter a yearly average, not your total future lifetime earnings. Only show earnings covered by Social Security. Do not add cost-of-living, performance or scheduled pay increases or bonuses. The reason for this is that we estimate retirement benefits in today's dollars, but adjust them to account for average wage growth in the national economy.

However, if you expect to earn significantly more or less in the future due to promotions, job changes, part-time work, or an absence from the work force, enter the amount in today's dollars that most closely reflects your future average yearly earnings.

Most people should enter the same amount that they are earning now (the amount shown in 7B).

Your future average yearly earnings:

$☐☐☐,☐☐☐.00
Dollars only

10. Address where you want us to send the statement:

Name

Street Address (Include Apt. No., P.O. Box, or Rural Route)

City State Zip Code

I am asking for information about my own Social Security record or the record of a person I am authorized to represent. I understand that if I deliberately request information under false pretenses I may be guilty of a federal crime and could be fined and/or imprisoned. I authorize you to send the statement of earnings and benefit estimates to the person named in item 10 through a contractor.

▶ Please sign your name (Do not print)

Date (Area Code) Daytime Telephone No.

ABOUT THE PRIVACY ACT

Social Security is allowed to collect the facts on this form under Section 205 of the Social Security Act. We need them to quickly identify your record and prepare the earnings statement you asked us for. Giving us these facts is voluntary. However, without them we may not be able to give you an earnings and benefit estimate statement. Neither the Social Security Administration nor its contractor will use the information for any other purpose.

Form SSA-7004-PC-OP1 (9-89) Destroy Prior Edition

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HOW CAN I BE SURE THE STATEMENT THAT I RECEIVE IS CORRECT?

You can check the accuracy of the statement that you receive with your old W–2 forms (Wage and Tax Statements). This is the form that your employer is required to give to you each year so that you can complete your annual income tax return. The form states the amount that you have earned for the year and the amount of payroll taxes that your employer withheld from your paycheck. Your employer is required to match this payroll tax amount. Thus, the Social Security taxes that are posted under your name each year should equal two times the amount of payroll taxes that were withheld from your paycheck.

If you are self-employed, be sure to consider the Social Security taxes that you have paid on your self-employment income. These taxes also should be included on the statement that you receive from the Social Security Administration.

If you believe the statement that you receive is incorrect, contact the Social Security Administration immediately. Assemble as much information that you can to support your case—for example, your old W–2s, paystubs, and tax returns for the period in question.

How and When Should I Apply for Benefits?

It is extremely important to know that **you must apply to receive Social Security benefits.** The government does not automatically do it for you. It is your responsibility. To apply for benefits, contact the Social Security Administration.

RETIREMENT AND MEDICARE

If you are applying for retirement benefits, you should contact the Social Security Administration about **3 months before you plan to retire.** Even if you do not plan to retire, **it is very important that you sign up for Medicare benefits 3 months before you turn age 65.** If you delay signing up for Medicare benefits, you may be required to pay a higher monthly premium later for Part B benefits (the medical insurance part of the program).

DISABILITY

You should apply for disability benefits **as soon as you become disabled,** even though your benefits will not begin until after a required waiting period (6 months).

SURVIVORS

If your family's breadwinner dies, you may be eligible to collect benefits based on the deceased's work record. You should apply for survivors benefits **immediately upon your family breadwinner's death.**

If you are your family's breadwinner, make sure that your dependents know your Social Security number and that they should immediately contact the Social Security Administration upon your death to collect any benefits to which they may be entitled.

WHAT RECORDS WILL I NEED TO SIGN UP FOR BENEFITS?

To prove that you are eligible for Social Security benefits, you will be asked to show certain documents. The documents that you will be required to submit depends upon the type of benefits for which you are applying. Typical records include:

1. Your Social Security card or number;
2. Your birth certificate;
3. Marriage or death certificates, or proof of disability, if applicable; or
4. Your latest W–2 form, or your tax return if you are self-employed.

This is only a partial list. When you actually sign up for benefits, the Social Security representative will let you know if additional documents are needed. Even if you do not have all these documents on hand, it is important that you **do not wait to apply for benefits.** The Social Security Administration will often accept other documents as proof, or will help you to obtain the information you need.

HOW WILL I RECEIVE MY BENEFITS?

Social Security payments are made at the beginning of each month. You can choose to receive your benefits in three ways:

1. You can have your *check* mailed to you.
2. Your benefits can be "*directly deposited*" into your bank account. **This is a much safer and more convenient method than receiving checks.** You can avoid unnecessary trips to the bank, lost checks and theft.

   To begin a direct deposit, fill out a "direct deposit form" at your bank. Your bank will then forward this form to the Social Security Administration. In about 3 months, your benefits will begin to be deposited directly into your account. Until direct deposits start, you will continue to receive checks in the mail.
3. You can have your check mailed to a relative or other representative—your "*representative payee.*"

ARE MY SOCIAL SECURITY BENEFITS TAXABLE?

Only people who have higher incomes will be required to pay taxes on their Social Security payments. Up to one-half of your Social Security benefits may be taxable if your income exceeds the following limits:

IF YOU FILE AN "INDIVIDUAL" RETURN

If you file a Federal income tax return as an individual, you may be required to pay taxes on your Social Security benefits if your "combined income" is over $25,000. ("Combined income" is defined as your adjusted gross income as reported on your tax return (IRS Form 1040), plus non-taxable income, plus one-half of your Social Security benefits.)

IF YOU FILE A "JOINT" RETURN

If you file a joint Federal income tax return, you may be required to pay taxes on your Social Security benefits if your combined income is over $32,000.

IF YOU NEED MORE TAX INFORMATION

If you need more information about the taxation of your Social Security benefits, call the Internal Revenue Service's toll-free telephone number 1-800-424-3676 and **ask for Publication 554 (Tax Benefits for Older Americans), and Publication 915 (Social Security Benefits and Equivalent Railroad Retirement Benefit).** You will receive these free publications in about two weeks.

The Appeals Process

The Social Security Administration (SSA) may decide that you are not eligible or are no longer eligible for payments, or that the amount of your payments should be changed. If this should happen, SSA will send you a written notice about their decision. If you do not agree with SSA's decision, you have a right to appeal it.

There are four steps in the appeals process. Generally, they must be taken in order. They are:

1. reconsideration;
2. hearing by an administrative law judge;
3. review by the Appeals Council; and
4. Federal court review.

If SSA sends you a notice about your case, you will also receive an explanation of the steps to take to appeal. For more information, contact the Social Security Administration and request the free fact sheet on the appeals process.

WHEN AND HOW TO APPEAL

You have 60 days from the date you receive the SSA notice to appeal the decision. Your request for an appeal must be in writing. Any Social Security office can help you with your request.

YOUR RIGHT TO REPRESENTATION

You have a right to be represented by a qualified person of your choice in dealing with the SSA at any step in the appeals process. For more information, contact the Social Security Administration and **request the free fact sheet, "Social Security And Your Right To Representation."**

WHERE CAN I GET LEGAL HELP?

If you need legal help in resolving your Social Security dispute, you may be able to get free legal advice by contacting your local area agency on aging.

If you plan to hire an attorney, be sure that he or she specializes in Social Security problems. You may also want to call the National Organization of Social Security Claimants' Representatives at 1-800-431-2804. This organization will provide free referrals to member attorneys in your area who specialize in Social Security law.

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Where To Get More Information

The Social Security Administration has about 1,300 offices throughout the country. You are welcome to visit or call the office nearest you listed in your telephone book.

You may visit or call for any number of reasons:

- to ask a general question about Social Security old age, survivors, or disability benefits or about the Supplemental Security Income program;
- to request an "Earnings and Benefit Estimate Statement";
- to report a change of circumstances, like a change of address;
- to apply for or replace a lost Social Security or Medicare card; or
- to inquire about filing a Social Security claim.

If you have a special concern, ask the representative if the Social Security Administration has a pamphlet or other written material on the topic. The Social Security Administration publishes dozens of information pamphlets and fact sheets on many different topics. Most likely, there will be written information available about your area of concern.

No matter what your question or concern may be, remember that the representatives at the Social Security Administration are there to serve you. **Remember that it is your right to receive the maximum benefits to which you are entitled. So, be persistent. It will pay off.**

SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card

Inside is the form you need to apply for a Social Security card. You can also use this form to replace a lost card or to change your name on your card. This service is free. But before you go on to the form, please read through the rest of this page. We want to cover some facts you should know before you apply.

IF YOU HAVE NEVER HAD A SOCIAL SECURITY NUMBER

If you were born in the U.S. and have never had a Social Security number, you must complete this form and show us documents that show your age, citizenship, and who you are. Usually, all we need from you are:

- Your birth certificate; AND
- Some form of identity, such as a driver's license, school record, or medical record. See page 2 for more examples.

Although we prefer to see your birth certificate, we will also accept a religious or hospital record of your birth made before you were 5 years old. **We must see original documents or certified copies. Photocopies are not acceptable.** You may apply at any age, but if you are 18 or older when you apply for your first Social Security card, **you must apply in person. Please see the special requirements on page 4 if you were born in a foreign country, if you are not a U.S. citizen or if you need a card for a child.**

IF YOU NEED TO REPLACE YOUR CARD

To replace your card, all we usually need is one type of identification and this completed form. See page 2 for examples of the kinds of documents you will need. If you were born outside the United States, you must also show proof of U.S. citizenship or lawful alien status. Examples of the documents you will need are on page 4. **Remember, we must see original documents or certified copies.**

IF YOU NEED TO CHANGE YOUR NAME ON YOUR CARD

If you already have a number, but need to change your name on our records, we need this completed form and a document that identifies you by both your old and new names. Examples include a marriage certificate, a divorce decree or a court order that changes your name. Or, we will accept two documents—one with your old name and one with your new name. See page 2 for examples of documents you can use.

HOW TO APPLY

First complete this form, using the instructions on page 2. Then take or mail it to the nearest Social Security office. Be sure to take or mail the originals or certified copies of your documents along with the form. We will return your documents right away.

IF YOU HAVE ANY QUESTIONS

If you have any questions about this form, or about the documents you need to show us, please call any Social Security office. A telephone call will help you make sure you have everything you need to apply for your card.

DOCUMENTS THAT SHOW YOUR IDENTITY

Here are some examples of the kinds of documents that will show who you are.

- Driver's license
- U.S. government or state employee ID card
- Your passport
- School ID card, record, or report card
- Marriage or divorce record
- Health insurance card
- Clinic, doctor, or hospital records
- Military records
- Court order for name change
- Adoption records
- Church membership or confirmation record (if not used as evidence of age)
- Insurance policy
- Any other document that establishes your identity

Remember, we must see original documents or certified copies. We cannot accept a photocopy unless it was made and certified by the county clerk or other official who keeps the record.

HOW TO COMPLETE THE FORM

Most questions on the form are self-explanatory. The questions that need explanation are discussed below. The numbers match the numbered questions on the form. **If you are completing this form for someone else, please answer the questions as they apply to that person.** Then, sign your own name in question 16.

1. Your card will show your full first, middle, and last names **unless you show otherwise.** If you have ever used another name, show it on the third line. You can show more than one name on this line. Do not show a nickname unless you have used it for work or business.
2. Show the address where you want your card mailed. If you do not usually get mail at this address, please show an "in care of address", for example, c/o John Doe, 1 Elm Street, Anytown, U.S.A. 00000.
3. If you check "other" under Citizenship, please attach a statement that explains your situation and why you need a Social Security number.
5. You do not have to answer our question about race/ethnic background. We can issue you a Social Security card without this information. However, this information is important. We use it to study and report on how Social Security programs affect different people in our nation. Of course, we use it only for statistical reports and do not reveal the identities of individuals.
13. If the date of birth you show in item 6 is different from the date of birth you used on an earlier application, show the date of birth you used on the earlier application on this line.
16. If you cannot sign your name, sign with an "X" mark and have two people sign beneath your mark as witnesses.

SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card

Form Approved
OMB No. 0960-0066

INSTRUCTIONS

- **Please read "How To Complete This Form" on page 2.**
- **Print or type using black or blue ink. DO NOT USE PENCIL.**
- **After you complete this form, take or mail it along with the required documents to your nearest Social Security office.**
- **If you are completing this form for someone else, answer the questions as they apply to that person. Then, sign your name in question 16.**

1 NAME (To Be Shown On Card) ▶ FIRST / FULL MIDDLE NAME / LAST

FULL NAME AT BIRTH IF OTHER THAN ABOVE — FIRST / FULL MIDDLE NAME / LAST

OTHER NAMES USED

2 MAILING ADDRESS (Do Not Abbreviate) ▶ STREET ADDRESS, APT. NO., PO BOX, RURAL ROUTE NO.

CITY / STATE / ZIP CODE

3 CITIZENSHIP (Check One) ☐ U.S. Citizen ☐ Legal Alien Allowed To Work ☐ Legal Alien Not Allowed To Work ☐ Foreign Student - Allowed Restricted Employment ☐ Conditionally Legalized Alien Allowed To Work ☐ Other (See Instructions On Page 2)

4 SEX ☐ Male ☐ Female

5 RACE/ETHNIC DESCRIPTION (Check One Only—Voluntary) ☐ Asian, Asian-American Or Pacific Islander ☐ Hispanic ☐ Black (Not Hispanic) ☐ North American Indian Or Alaskan Native ☐ White (Not Hispanic)

6 DATE OF BIRTH MONTH DAY YEAR

7 PLACE OF BIRTH (Do Not Abbreviate) CITY / STATE OR FOREIGN COUNTRY / FCI ☐ Office Use Only

8 MOTHER'S MAIDEN NAME FIRST / FULL MIDDLE NAME / LAST NAME AT HER BIRTH

9 FATHER'S NAME FIRST / FULL MIDDLE NAME / LAST

10 Has the person in item 1 ever applied for or received a Social Security number before?

☐ Yes (If "yes", answer questions 11-13.) ☐ No (If "no", go on to question 14.) ☐ Don't Know (If "don't know", go on to question 14.)

11 Enter the Social Security number previously assigned to the person listed in item 1.

☐☐☐-☐☐-☐☐☐☐

12 Enter the name shown on the most recent Social Security card issued for the person listed in item 1.

FIRST / MIDDLE / LAST

13 Enter any different date of birth if used on an earlier application for a card. MONTH DAY YEAR

14 TODAY'S DATE ▶ MONTH DAY YEAR

15 DAYTIME PHONE NUMBER ▶ ( ) AREA CODE

DELIBERATELY FURNISHING OR CAUSING TO BE FURNISHED FALSE INFORMATION ON THIS APPLICATION IS A CRIME PUNISHABLE BY FINE OR IMPRISONMENT, OR BOTH

16 YOUR SIGNATURE ▶

17 YOUR RELATIONSHIP TO THE PERSON IN ITEM 1 IS: ☐ Self ☐ Natural Or Adoptive Parent ☐ Legal Guardian ☐ Other (Specify)

DO NOT WRITE BELOW THIS LINE (FOR SSA USE ONLY)

NPN		DOC	NTI	CAN		ITV
PBC	EVI	EVA	EVC	NWR	DNR	UNIT

EVIDENCE SUBMITTED

SIGNATURE AND TITLE OF EMPLOYEE(S) REVIEWING EVIDENCE AND/OR CONDUCTING INTERVIEW

DATE

DCL DATE

Form **SS-5** (5/88) 1/85, 8/85, and 11/86 editions may be used until supply is exhausted

IF YOU ARE A UNITED STATES CITIZEN BORN OUTSIDE THE U.S.

If you are a United States citizen who was born outside the U.S., we need to see your consular report of birth (FS-240 or FS-545), if you have one. We also need to see one form of identification. See page 2 for a list of documents which show your identity.

If you do not have your consular report of birth, we will need to see your foreign birth certificate and one of the following: a U.S. Citizen ID card, U.S. passport, Certificate of Citizenship, or a Certificate of Naturalization. Remember, you must show us the original documents.

IF YOU ARE NOT A U.S. CITIZEN

If you are not a U.S. citizen, you must show us your birth certificate or passport, and the documents given to you by the Immigration and Naturalization Service (INS). We must see original documents, not photocopies. Examples of INS documents are: your Alien Registration Receipt Card (Form I-151 or I-551) or Form I-94. Because these documents should not be mailed, you should apply in person.

Even though you may not be authorized to work in this country, we can issue you a Social Security card if you are here legally and need it for some other reason. Your card will be marked to show that you cannot work, and if you do, we will notify INS.

IF YOU NEED A CARD FOR A CHILD

If you apply for a card for a child, you need to show us the child's original or certified birth certificate and one more document showing the child's identity. For example, we could accept a doctor or hospital bill, a school record or any similar document that shows the child's identity.

Also, if you sign the form, we need to see some kind of identification for you. Please see the list on page 2 for examples of documents you can use. Be sure to answer the questions on the application form as they apply to the child.

THE PAPERWORK/ PRIVACY ACT AND YOUR APPLICATION

The Social Security Act (sections 205(c) and 702) allows us to collect the facts we ask for on this form. We use most of these facts to assign you a Social Security number or to issue you a card. You do not have to give us these facts, but without them we cannot issue you a Social Security number or a card. Without a number, you could lose Social Security benefits in the future and you might not be able to get a job.

We give out the facts on this form without your consent only in certain situations that are explained in the Federal Register. For example, we must give out this information if Federal law requires us to, if your Congressman or Senator needs the information to answer questions you ask them, or if the Justice Department needs it to investigate and prosecute violations of the Social Security Act. If you would like more information about the Privacy Act, get in touch with any Social Security office.

RETIREMENT

While Social Security retirement benefits were never intended to be your only source of support, retirement benefits can significantly help you and your family maintain a reasonable standard of living. About 90 percent of all persons age 65 and older receive retirement benefits. Chances are, you can look forward to these important Social Security benefits in your later years.

How Do I Qualify for Retirement Benefits?

To qualify for benefits, you must have worked in a job that is covered by Social Security long enough to have earned enough credits to receive benefits. (See the section above entitled, "How Do I Earn Credits?" on page 4.) If you do not have the required number of credits, you will not be able to receive retirement benefits.

The number of Social Security credits you need depends on the date of your birth. If you were born in 1929 or later, you need 40 credits. If you were before 1929, you need less. The table below shows the number of credits you need to receive retirement benefits.

Credits Needed for Retirement Benefits

If You Reach Age 62 In	Credits You Need
1986	35
1987	36
1988	37
1989	38
1990	39
1991 or later	40

How Much Will I Receive?

Your benefit is based on (1) how much you earned during most of your working years, and (2) when you decide to retire.

YOUR AVERAGE EARNINGS

Because your retirement benefits are based on your earnings averaged over most of your working years, the higher your earnings over the years, the higher your benefits will be. If you had no earnings or low earnings in some years, your benefit amount may be lower than if you had worked steadily.

WHEN YOU DECIDE TO RETIRE

Your retirement benefits will also be affected by when you begin to receive benefits. For example, if you decide to start receiving benefits at age 62 (the earliest age that you can begin to collect benefits), your benefits will be less than if you wait to receive them at age 65 or later.

The chart below shows the approximate monthly benefits you can expect to receive if you are age 62 or 65 in 1991.

Monthly Benefits at Age 65 *

Your Age in 1991	Your Present Annual Earnings				
	$12,000	$20,000	$30,000	$42,000	$53,400 and Up
65	$502	$695	$916	$983	$1,022
62	505	700	923	997	1,045

* Please note that these figures are based on the following assumptions that may or may not apply to you: that you retire at "normal retirement age" or age 65; that you have worked steadily; that you have received pay raises equal to the U.S. average throughout your working career; and that your earnings, as well as the general level of wages and salaries in the country, have remained the same until you retire. The chart shows the value of your retirement benefits in today's dollars.

Your retirement benefits will be adjusted for cost-of-living increases. Thus, once you start to receive benefits, the value of your benefits will be protected.

SPECIAL MINIMUM BENEFIT (LONG SERVICE AT LOW EARNINGS)

If you have worked for many years in a low-wage job that is covered under the Social Security system, you may qualify for a monthly "special minimum benefit", which is based on how long you've worked, rather than your average earnings. Special minimum benefits are paid only if it is higher than the benefit calculated under the regular rules.

The special minimum benefit amount that you will receive depends on the number of years of "significant" Social Security coverage you have to your credit. Here's how that number is figured:

For 1937 to 1950, your total earnings are divided by $900 to obtain your years of coverage (maximum 14). For 1951 to 1978, you are credited for each year that you earned at least 25 percent of the Maximum Taxable Earnings. For 1979 to 1990, the required amount is about 19 percent of the Maximum Taxable Earnings. After 1990, it is about 11 percent. For 1991, you will be credited with a year of coverage if you earn at least $5,940.

During 1991, the special minimum benefit is approximately $23.06 per month for each year of coverage over 10 years—up to 30 years. This results in the following benefits:

Years of Coverage	Special Minimum Benefit
11	$23.00
12	45.90
13	69.10
14	92.10
15	115.20
16	138.20
17	161.30
18	184.40
19	207.50
20	230.40
21	253.80
22	276.60
23	299.90
24	322.90
25	345.90
26	369.20
27	392.20
28	415.10
29	438.10
30 or more	461.20

GET A PERSONALIZED ESTIMATE—FREE

You can get a personalized estimate of your retirement benefits by contacting the Social Security Administration. See the section entitled, "How Can I Get a Written Estimate of My Benefits?" on page 6. If you would like more detailed information on how your benefits are calculated, **request the free one-page explanation entitled, "How Your Retirement Benefit Is Figured."**

When Can I Begin To Collect Retirement Benefits?

EARLY RETIREMENT AGE

The earliest age at which you can begin collecting retirement benefits is age 62. This is called the "early retirement" age. The usual retirement age for people retiring today is age 65, also called the "full retirement" age. If you retire early, your monthly retirement benefit will be less than if you wait until you turn full retirement age or older. This is to account for the longer period that you will be collecting benefits.

The amount of your benefit reduction will depend on the number of months you receive benefits before you reach full retirement age. For example, if your full retirement age is 65, your monthly benefits will be reduced by 20 percent if you begin collecting benefits at age 62; at age 63, the reduction is 13⅓ percent; and at age 64, the reduction is 6⅔ percent.

If you were born after 1937, your full retirement age will be slightly older than 65, as explained in the following section. You will still be able to receive retirement benefits at age 62. However, the reduction in your monthly benefit will be greater than it is for people retiring today. For example, if your full retirement age is 67, your monthly benefits will be reduced by 30 percent if you begin collecting benefits at age 62.

If you are retiring early due to poor health, you may be eligible for Social Security disability benefits. If you are found to be eligible for disability benefits, you will receive an amount that is equal to your full retirement benefit. In this way, you may be able to collect more than you would by retiring early. Please note that you cannot collect both Social Security retirement and Social Security disability benefits at the same time. Thus, if you are receiving disability benefits at age 65, they become retirement benefits, although the amount remains the same.

FULL RETIREMENT AGE

Today, age 65 is considered "full retirement age." If you retire at age 65, the monthly benefit amount that you receive is considered the "full retirement benefit."

Beginning in the year 2000, the full retirement age will gradually increase until it reaches age 67. This is to take into account longer life and work spans. If you were born in 1938 or later, your full retirement age will be slightly greater than age 65. The chart below lists the age at which you will be able to receive full retirement benefits.

Age At Which You Will Receive Full Retirement Benefits

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

DELAYED RETIREMENT

Just as your monthly retirement benefits will be reduced if you decide to collect your benefits early, your benefits will be increased by a certain percentage if you delay retirement. These yearly per-

centage increases will be added in automatically from the time you reach your full retirement age until (1) you begin collecting benefits or (2) you reach age 70. The percentage varies depending on the year of your birth.

The chart below indicates the yearly percentage increase you will receive if you delay receiving your retirement benefits. For example, if you were born in 1941, your benefits will be increased by 7.5 percent for each year that you delay receiving retirement benefits.

Increases For Delayed Retirement

Year of Birth	Yearly Percentage Increase
1916 or earlier	1%
1917–1924	3%
1925–1926	3.5%
1927–1928	4%
1929–1930	4.5%
1931–1932	5%
1933–1934	5.5%
1935–1936	6%
1937–1938	6.5%
1939–1940	7%
1941–1942	7.5%
1943 or later	8%

Even if you do decide to delay your retirement, be sure to sign up for Medicare benefits about three months before you turn age 65. That way, you can be sure that upon turning age 65, you will be covered by Medicare. Furthermore, if you delay signing up for Medicare, you may be required to pay higher premiums for Part B (the medical insurance part of the Medicare program).

When I Retire (Or Become Disabled), Can Members of My Family Receive Benefits?

When you retire (or become disabled), certain members of your family will be eligible for benefits too. The following is a list of those who can receive benefits:

BENEFITS FOR YOUR SPOUSE

1. Your wife or husband, if she or he is age 62 or older.
2. Your wife or husband at any age, if she or he is taking care of your child and that child is (a) under age 16, or (b) any age, if disabled before age 22.

3. Your former wife or husband, if she or he is (a) age 62 or older; (b) unmarried; (c) was married to you for at least 10 years; and (d) is not eligible for an equal or higher benefit on his or her own Social Security record, or on someone else's Social Security record. Note that your ex-spouse can receive benefits at age 62 even if you are not retired, if you have been divorced at least two years.

BENEFITS FOR YOUR CHILDREN

1. Your children under age 18. (The definition of "child" includes your natural children, both legitimate or illegitimate; adopted children; stepchildren; and dependent grandchildren, if their parents are deceased or disabled. All eligible children must also be unmarried.)
2. Your children under age 19, if in high school.
3. Your children at any age, if they are disabled before age 22.

HOW MUCH WILL MY SPOUSE AND CHILDREN GET?

If your spouse or children are eligible to receive benefits based on your work record, they will receive an amount that is equal to a percentage of your retirement benefit. The chart below shows the percentage they will receive:

Benefits Paid To	Percentage of Your Benefit
Your Spouse, age 65 *	50%
Your Spouse, age 62	** 37.5%
Your Spouse, any age, with eligible child under age 16 or disabled	50%
Each Eligible Child	50%

* When the "normal retirement age" for workers rises, this age will rise, too.
** If your spouse takes benefits before age 65, the amount is reduced to a low of 37.5 percent at age 62.

Note that if you are eligible to receive benefits as a spouse, as well as under your own record, you will get the higher amount.

IS THERE A LIMIT TO HOW MUCH MY FAMILY WILL RECEIVE?

There is a limit to the amount of money that can be paid on your Social Security record. This limit is generally equal to about 150 to 180 percent of your benefit amount. If the benefits payable is greater than this family limit, then the benefits to your family members will be reduced proportionately. However, your benefit will not be affected.

Note that if your ex-spouse receives benefits based on your work record, this will not affect the amount of any benefits payable to you or your other family members.

Can I Work and Still Collect Benefits?

You can continue to work and collect Social Security retirement benefits. However, if you are under age 70 and if you earn over a certain limit, your benefits may be reduced.

There are specific rules on what is included in the definition of "earnings." In general, earnings include your wages, tips, bonuses, commissions, and vacation pay. If you are self-employed, your earnings include your net profits. However, pensions, annuities, investment income, interest, Social Security, veterans, and other government benefits are not considered earnings.

The following annual limits on earnings apply to people who collect retirement, dependents, or survivors benefits:

IF YOU ARE UNDER AGE 65

If you are under age 65, you can earn up to $7,080 in 1991 and still collect all your Social Security benefits. However, your benefits will be reduced by one dollar for every two dollars you earn over $7,080.

IF YOU ARE AGE 65 THROUGH 69

If you are age 65 through 69, you can earn up to $9,720 in 1991 and still collect all your Social Security benefits. However, your benefits will be reduced by one dollar for every three dollars you earn over $9,720.

IF YOU ARE AGE 70 OR OLDER

If you age 70 or older, you can collect all your Social Security benefits, regardless of how much you earn.

SPECIAL EARNINGS LIMITS IN THE FIRST YEAR

A special rule applies to your earnings during your first year of retirement. Under this rule, even if your earnings exceed the yearly limit, you can still receive your full Social Security benefit for any month your earnings do not exceed a monthly limit. The monthly limits for 1991 are: $590 if you are under age 65, and $810 if you are age 65 through 69.

SPECIAL RULES FOR DISABLED PERSONS

Special rules on work and earnings apply to people who receive Social Security benefits because they are disabled. A brief discussion of these rules can be found under the section on disability benefits on page 31.

IF YOU WOULD LIKE MORE INFORMATION

For more information, contact the Social Security Administration and **request the free one-page explanation entitled, "How Work Affects Your Social Security Benefits."**

SURVIVORS

You and your children may be eligible to receive Social Security survivors benefits if your family's breadwinner dies. Of the 39 million people who receive Social Security benefits, nearly 20 percent receive survivors benefits. This includes over five million widows, widowers, and dependent parents, and almost two million children.

It is very important that you apply for survivors benefits promptly because, in some cases, benefits may not be retroactive.

How Do I Qualify for Survivors Benefits?

You can receive survivors benefits only if your family's breadwinner (the deceased worker) has earned enough credits in jobs or self-employment covered by Social Security during his or her lifetime. See the section above entitled, "How Do I Earn Credits?" on page 4.

The number of Social Security credits a worker needs to provide his dependents with survivors benefits depends on the age at which the worker dies. If the worker was born before 1930, 40 credits are needed. If the worker was born after 1929, fewer credits are needed. The exact number is shown in the chart below.

Credits Needed for Survivors Benefits In 1991

Worker's Age At Death	Number of Credits Needed
28 or younger	6
30	8
32	10
34	12
36	14
38	16
40	18
42	20
44	22
46	24
48	26
50	28
52	30
53	31
54	32
55	33
56	34
57	35
58	36
59	37
60	38
61	39
62	40

Under a special rule, some survivors benefits can be paid even if the worker didn't earn enough credits during his or her lifetime. Under this rule, the worker must have earned credit for 1½ years of work (6 credits) in the last three years.

How Much Will I Receive?

The amount of survivors benefits that you will receive is based on the earnings of the deceased worker. Basically, the more that he or she paid into Social Security, the higher your benefits will be.

The amount you will get is a percentage of the deceased's basic Social Security benefit. The percentage depends on your age and the type of benefit for which you are eligible. Here are the most typical situations.

1. Widow or widower age 65 or older: 100 percent.
2. Widow or widower age 60 to 64: About 71 to 94 percent.
3. Widow any age with a child under age 16: 75 percent.
4. Children: 75 percent.

SPECIAL ONE-TIME DEATH BENEFIT

If the deceased worker has enough credits, a special one-time payment of $255 can also be made. This payment can go only to the deceased's widow or widower, or if none, to a child who gets benefits on the deceased's record.

IS THERE A LIMIT TO HOW MUCH MY FAMILY CAN RECEIVE?

There is a limit to the amount of money that can be paid to you and other family members each month. The limit varies, but it is generally equal to about 150 to 180 percent of the deceased's benefit rate. If the total benefits payable to the family members is greater than this limit, the benefits will be reduced proportionately.

Note that benefits paid to a divorced spouse who is age 60 or older (or age 50 to 60 if disabled) will not affect the benefit rates for other survivors getting benefits.

GET A PERSONALIZED ESTIMATE—FREE

If your family's breadwinner has died, contact the Social Security Administration to see if you are eligible to receive survivors benefits. The representative will be able to tell you what documents you will need to apply.

If you work and would like to know how much your dependent's can receive if you should die, contact the Social Security Administration and ask for Form SSA–7004 (Request for Earnings and Benefit Estimate Statement). See the section above entitled, "How Can I Get a Written Estimate of My Benefits?" on page 6.

Who Can Receive Survivors Benefits?

BENEFITS FOR THE DECEASED WORKER'S SPOUSE

If your family's breadwinner dies and he or she has acquired the necessary number of credits, you may be eligible to receive survivors benefits if you are:

1. A widow or widower age 60 or older;

2. A widow or widower age 50 or older and are disabled;
3. A widow or widower at any age and you are caring for a child under age 16 or a disabled child;
4. A dependent parent age 62 or older and your deceased son or daughter provided most of your support; or
5. A former spouse. If you've been divorced, you can get benefits under the same circumstances as a widow or widower if your marriage lasted 10 years or more and you are not eligible to receive an equal or higher benefit under your own record. You do not have to meet the length of marriage rule if you are caring for a child who is eligible for benefits under the deceased's record.

If You Remarry

In general, you lose your eligibility to collect survivors benefits if you remarry. However, if you remarry after age 60 (or age 50 if you are disabled) your eligibility remains unaffected. And, if you remarry at age 62 or older, you may be eligible for benefits on the record of your new spouse if they are higher. Your child's survivors benefits will not be affected if you remarry.

BENEFITS FOR THE DECEASED WORKER'S CHILDREN

The deceased worker's unmarried children may also be eligible to receive survivors benefits if they are:

1. Under age 18;
2. Under age 19 and are attending elementary or secondary school full time;
3. Disabled at any age and were disabled before age 22; or
4. Under some circumstances, benefits can also be paid to the deceased's grandchildren.

CAN I WORK AND STILL COLLECT SURVIVORS BENEFITS?

If you receive Social Security survivors benefits, the amount of your benefits may be affected by your earnings from work. See the section above entitled, "Can I Work and Still Collect Benefits" on page 31. The limits on earnings listed under that section which are applicable to retirement benefits also apply to survivors benefits.

An important point to remember is that **your earnings will affect only your survivors benefits, not the benefits of other family members.**

DISABILITY

If you are under age 65 and disabled, you may qualify for Social Security disability benefits. If you are receiving disability benefits at age 65, they become retirement benefits, although the amount remains the same. If you are disabled and have limited resources, you may also qualify for the Supplemental Security Income (SSI) program, discussed on page 33.

The medical requirements for disability payments are the same under both programs and a person's disability is determined by the same process. The primary difference between the two programs is that you become eligible for Social Security disability benefits based on your work record, while SSI benefits are based solely on need. There are other differences, too. For example, there is no waiting period before you can receive SSI payments. In contrast, Social Security disability payments cannot begin until after a 6-month waiting period. Also, different work incentive rules apply.

How Do I Qualify for Disability Benefits?

HOW MANY CREDITS DO I NEED?

To qualify for Social Security disability benefits, you must be "disabled" and have worked and earned enough Social Security "credits" to qualify for benefits. See the section above entitled, "How Do I Earn Credits?" on page 4.

The number of credits you need to be eligible for disability benefits depends on the age at which you become disabled.

BEFORE AGE 24

If you become disabled before age 24, you need six credits in the 3-year period ending when your disability starts.

AGE 24 TO 31

If you become disabled between age 24 and 31, you need credit for having worked half the time between age 21 and the time you become disabled. For example, if you become disabled at age 27, you would need credit for three years of work (out of six).

AGE 31 OR OLDER

If you become disabled at age 31 or older, you need the same number of work credits as you would need for retirement, as shown in the following chart. Also, you generally must have earned at least 20 of the credits in the 10 years immediately before you become disabled.

Born After 1929—Become Disabled At Age	Born Before 1930—Become Disabled Before Age 62	Credits You Need
31 through 42		20
44		22
46		24
48		26

46-209 0 - 91 - 3

Born After 1929—Become Disabled At Age	Born Before 1930—Become Disabled Before Age 62	Credits You Need
50		28
52		30
53		31
54		32
55		33
56		34
57	1986	35
58	1987	36
59	1988	37
60	1989	38
62 or older	1991 or later	40

HOW IS "DISABILITY" DEFINED?

To qualify for Social Security disability payments, you must have a physical or mental impairment that is expected to keep you from doing any "substantial" work for at least a year. Or you must have a condition that is expected to result in your death. Note that this is a fairly strict definition of disability. Social Security does not pay for partial disability or for short-term disability.

If you qualify for disability benefits, your benefits will continue for as long as you remain disabled. If you are receiving disability benefits at age 65, they become retirement benefits.

HOW DOES SOCIAL SECURITY DETERMINE WHETHER I AM DISABLED?

You should be familiar with the process that the Social Security Administration uses to determine if you are disabled. It's a step-by-step process involving five questions. They are:

1. *Are you working*? If you are working and are earning $500 or more a month, you generally cannot be considered disabled.
2. *Is your condition "severe"*? Your impairments must interfere with basic work-related activities for your claim to be considered further.
3. *Is your condition found in the list of disabling impairments*? The Social Security Administration maintains a list of impairments for each of the major body systems that are so severe they automatically mean you are disabled. If your condition is not on the list, Social Security must determine if it is of equal severity to an impairment on the list. If it is, your claim is approved. If it is not, the following question is considered.
4. *Can you do the work you did previously*? If your condition is severe, but not at the same or equal severity as an impairment on the list, then Social Security must determine if it interferes with your ability to do the work you did in the last 15 years. If it does not, your claim will be denied. If it does, your claim will be considered further.

5. *Can you do any other type of work?* If you cannot do the work you did in the last 15 years, Social Security then looks to see if you can do any other type of work. Your age, education, past work experience, and transferable skills will be considered. Social Security will also review the job demands of occupations as determined by the Department of Labor. If you cannot do any other kind of work, your claim will be approved. If you can, your claim will be denied.

SPECIAL RULES FOR BLIND PERSONS

The Social Security disability program has special rules for blind persons. If you qualify, you may receive benefits either on the basis of blindness or on the basis of disability.

You are considered blind under Social Security rules if your vision cannot be corrected to better than 20/200 in your better eye, or if your visual field is 20 degrees or less, even with a corrective lens.

If you are blind, you can earn up to $810 a month in 1991 before your earnings are considered "substantial gainful work."

If you are blind, you should file for disability even if you are working and your earnings are too high to receive disability benefits. That is because you might be eligible for a disability "freeze." This means that your future benefits, which are figured on your average earnings over your working life, will not be reduced because of relatively lower earnings in those years when you are blind.

How Much Will I Receive?

The amount of your monthly disability benefits is based on your lifetime average earnings covered by Social Security. In 1991, the average monthly benefit for a disabled worker is $587, and the average payment to a disabled worker with a family is $1,022. Your actual payment may be more or less depending on your individual circumstances.

GET A PERSONALIZED ESTIMATE—FREE

If you would like to know how much your disability benefits would be if you should become disabled, contact the Social Social Administration and ask for Form SSA-7004 (Request for Earnings and Benefit Estimate Statement). See the section above entitled, "How Can I Get A Written Estimate of My Benefits?" on page 6.

When Can I Begin To Collect Disability Benefits?

Social Security disability benefits cannot begin until the sixth full month of disability. **You should apply for disability benefits as soon as you become disabled.** Processing a claim for disability benefits generally takes longer than for other types of Social Security benefits—from 60 to 90 days. This is because it takes longer to obtain medical information and to assess the nature of your disability in terms of your ability to work.

The Social Security Administration will be able to tell you what specific documents you will need to support your claim. Be pre-

pared to submit both medical and vocation information about yourself, including the names, addresses, and phone numbers of your doctors, hospitals and clinics where you have been treated, as well as a summary of where you have worked in the last 15 years and the kind of work you did.

However, **do not delay filing for benefits just because you do not have all the information you need.** The Social Security representative will assist you in obtaining the information that you need.

How Long Will My Disability Benefits Continue?

You can continue to get disability benefits unless (1) your condition improves or (2) you return to "substantial work." The Social Security Administration will periodically check your claim to determine if this is the case.

YOUR CONDITION IMPROVES

You may be asked to undergo a special test or examination for which Social Security will pay. The frequency of the reviews depends on the expectation of recovery. For example:

1. If medical improvement is "expected," your case will be reviewed within 6 to 8 months.
2. If medical improvement is "possible," your case will be reviewed no sooner than 3 years.
3. If medical improvement is "not expected," your case will be reviewed no sooner than 7 years.

YOU CAN DO SUBSTANTIAL WORK

The basic test used to determine if you are still disabled is whether your work is "substantial." In general, earnings of $500 or more a month are considered substantial. This level of work is referred to as "substantial gainful activity."

You must promptly report any improvement in your condition, your return to work, and certain other events as long as you are receiving benefits. These responsibilities are explained in a booklet that you will receive when your benefits start.

Who Can Get Social Security Disability Benefits?

If you have earned the requisite number of credits, you can receive Social Security disability benefits at any age. If you are receiving disability benefits at age 65, they become retirement benefits.

If you become disabled, certain members of your family may also qualify for benefits on your record. See the section above entitled, "When I Retire (Or If I Become Disabled), Can Members Of My Family Receive Benefits?" on page 21.

BENEFITS FOR CHILDREN

The Social Security Administration has recently rewritten its disability rules for children. Under these new rules, more children with disabilities may qualify for benefits, especially SSI disability benefits. (SSI benefits are discussed beginning on page 33.)

For more information about children with disabilities, contact the Social Security Administration and **ask for a free copy of the publication, "Benefits For Children."**

You Can Get Medicare If You're Disabled

If you have been getting disability benefits for two years, you will be automatically enrolled in Medicare. There are two parts to Medicare—hospital insurance (Part A) and medical insurance (Part B). Hospital insurance helps pay hospital bills and some follow-up care. The taxes you paid while you were working financed this coverage, so it's free if you're eligible. Medical insurance helps pay doctors' bills and other services. You must pay a monthly premium for this coverage. A discussion of the Medicare program begins on page 37.

Can I Work and Still Collect Benefits?

There are a number of special "work incentive" rules that can help if you would like to return to work but are concerned about suddenly losing your disability benefits and your Medicare or Medicaid coverage. You should **be familiar with the following rules so that you can use them to your advantage.**

TRIAL WORK PERIOD

For 9 months (not necessarily consecutive), you may earn as much as you can without affecting your benefits. (The 9 months of work must be in a five-year period to be considered a trial work period.) A trial work month is any month in which you earn more than $200.

After 9 months of trial work, your work is evaluated to see if it is "substantial." If your earnings are $500 or less a month, benefits will generally continue. If your earnings average more than $500 a month, benefits will continue for a 3-month grace period before they stop.

Work expenses related to your disability will be discounted in figuring whether your earnings constitute substantial work.

EXTENDED PERIOD OF ELIGIBILITY

For 36 months after a successful trial work period, if you are still disabled, you will be eligible to receive monthly benefits without a new application for any month your earnings drop below $500.

MEDICARE CONTINUATION

Your Medicare coverage will continue for 39 months beyond the trial work period. If your Medicare coverage stops because of your work, you may purchase it for a monthly premium.

WILL OTHER DISABILITY PAYMENTS REDUCE MY BENEFITS?

If you receive worker's compensation (including black lung) or disability benefits from certain Federal, State, Civil Service, or military disability programs, your Social Security disability benefits may be reduced. This is because the total combined disability payments to you and your family cannot exceed 80 percent of your

earnings averaged over a period of time shortly before you became disabled.

FOR MORE INFORMATION

If you would like more information about these special work incentives, contact the Social Security Administration and **ask for a free copy of the booklet, "Working While Disabled—How Social Security Can Help."**

CHAPTER 2—SUPPLEMENTAL SECURITY INCOME

OVERVIEW

If you are age 65 or older, or disabled, or blind and you do not own much or have a lot of income, you may be eligible for Supplemental Security Income (SSI) assistance in addition to Social Security benefits. Presently, over two million people who receive Social Security also receive SSI benefits. SSI assistance is not just for adults. Children who are disabled or blind can also receive SSI payments. And if you qualify for SSI, you probably qualify for food stamps and Medicaid too.

The SSI program is run by the Social Security Administration. However, the money to pay for SSI benefits does not come from Social Security taxes or Social Security trust funds. Rather, SSI payments are financed by general revenue funds of the U.S. Treasury.

How Do I Qualify for SSI?

YOU MUST BE ELDERLY, BLIND, OR DISABLED

To get SSI, you must be elderly, or blind, or disabled, and you must have limited income and assets. Unlike the Social Security program, you do not need "credits" to qualify. Rather, the SSI program is based on need only.

"*Elderly*" means that you are age 65 or older.

"*Blind*" means that you are either totally blind or have very poor eyesight. You are considered blind if you have central visual acuity of 20/200 or less in the better eye with the use of a corrective lens or a visual field restriction of 20 degrees or less. Children, as well as adults, can get benefits because of blindness.

"*Disabled*" means that you have a physical or mental problem that keeps you from working and that is expected to last at least a year or result in death. Children, as well as adults, can get benefits because of disability. Note that new eligibility rules now make it easier for children to qualify for benefits.

If your sight is not poor enough to be considered blind, you may be able to receive SSI as a disabled person.

YOU MUST HAVE LIMITED INCOME AND ASSETS

Whether you can get SSI also depends on how much income you have and what you own. Income is the money you have coming in such as wages, Social Security checks, and pensions. Income also includes non-cash items you receive such as food, clothing, or shelter.

If you are married, your spouse's income and the things that he or she owns will also be considered. In the case of children, the

income and resources of the parents are considered, and in the case of a sponsored alien, the income and resources of the sponsor.

How Much Income Can I Have?

The amount of income you can have each month and still get SSI depends partly on where you live. In all States, you can usually get SSI if your income is less than $427 for one person and $630 for a couple. But many States allow much more income.

Not all your income is counted in determining whether you qualify for SSI. For example, *the following is not counted*:

1. The first $65 a month you earn from working and half of the amount over $65.
2. Food stamps.
3. Food, clothing, or shelter if you receive them from private nonprofit organizations.
4. Most home energy assistance.

If you are a student, some of your wages or scholarships you receive may not count.

If you are disabled but work, any wages you use to pay for items or services you need to work because of your disability are not counted. For example, if you need a wheelchair, the wages you use to pay for the wheelchair do not count as income.

If you are blind but work, any wages you use to pay for expenses that are caused by working are not counted. For example, the wages you use to pay for transportation to and from work are not counted as income.

If you are disabled or blind, some of the income you use (or save) for training or to buy things you need to work may not count.

What Resources Can I Have?

Resources are the things that you own, such as real estate, personal belongings, bank accounts, cash, or stocks and bonds. You may be able to get SSI if you have items worth up to $2,000. A couple may be able to get SSI with items worth up to $3,000.

Not all your resources are considered in determining your eligibility for SSI. For example, *the following generally is not counted*:

1. Your home and the land that it's on.
2. Your personal and household goods and life insurance policies, depending on their value.
3. Your car.
4. Burial plots for you and members of your immediate family.
5. Up to $1,500 in burial funds for you and up to $1,500 in burial funds for your spouse.
6. If you are disabled or blind, some items may not count if you plan to use them to work or earn extra income.

A SPECIAL NOTE FOR BLIND AND DISABLED PEOPLE

If you work, there are special rules to help you. You may be able to keep getting some money from SSI while you work. But as you earn more money, your SSI checks may go down or stop. Even if your SSI checks stop, you may be able to keep your Medicaid coverage.

You also may be able to set aside some of your money for a work goal or to go to school. A representative at the Social Security Administration can tell you how to do this. The money you set aside doesn't count toward the SSI limits on income and the things you own. That means it won't reduce the amount of your SSI check.

Blind or disabled people who apply for SSI may get special services from their State. These services include counseling, job training, and help in finding work.

For more information about these rules, contact the Social Security Administration and **ask for the free booklet, "Working While Disabled . . . How Social Security Can Help."**

OTHER RULES YOU MUST MEET

To qualify for SSI, you also must meet the following rules:

1. You must live in the United States or Northern Mariana Islands.
2. You must be a U.S. citizen or be in the United States legally.
3. If you are eligible for Social Security or other benefits, you must apply for them. **You can get SSI and Social Security checks if you are eligible for both.**
4. If you are disabled, you must accept vocational rehabilitation services if they are offered.

How Much Will I Receive?

In 1991, the basic monthly SSI check for one person is $407 a month. The basic check for a couple is $610 a month. However, you may get more or less than this amount. You may get more if you live in a State that adds money to the basic check. Or you may get less if you or your family has other income.

Your first month's SSI check may be for less than a full month. That's because you will be paid only for the days since you applied for SSI. Starting with the second month, you will get your full check.

What Other Help Can I Get If I Qualify for SSI?

If you qualify for SSI, you may also qualify for other help from your State or county. For example, you may be able to get Medicaid, which helps pay doctor and hospital bills, food stamps, or some social services. For information about all the services available in your community, call your local social services department or public welfare office.

FOOD STAMPS

People who get SSI assistance usually can get food stamps, too.

If everyone in your house is signing up for SSI or is getting SSI, the Social Security office will help you fill out the food stamp application.

If you do not live in a house where everyone is signing up for SSI or getting SSI, you will have to sign up for food stamps at the local food stamp office.

MEDICAID

Usually, when you get SSI you can also get Medicaid. Medicaid helps pay your doctor and hospital bills. You can get more information about Medicaid at your local welfare or medical assistance office.

Can I Get SSI If I Live in a Public or Private Institution?

People who live in city or county rest homes, halfway houses, or other public institutions usually cannot get SSI checks. But there are some exceptions.

1. If you live in a publicly operated community residence which serves no more than 16 people, you may get SSI.
2. If you live in a public institution mainly to attend approved educational or job training that will help you get a job, you may get SSI.
3. If you are living in a public emergency shelter for the homeless, you may be able to get SSI.
4. If you are in a public or private institution and Medicaid is paying more than half the cost of your care, you may get SSI. But your monthly SSI check will usually be no more than $30. (In some States, it will be more than $30.)

How Do I Sign Up for SSI?

To apply for SSI benefits, visit or call your local Social Security office listed in the telephone book. The representative will be able to tell you what documents you need to sign up.

You should apply for SSI immediately. This is because SSI cannot start before the day you apply.

A Word About Social Security Benefits

If you have worked long enough to qualify for Social Security benefits (retirement, disability, or survivors benefits) and you have limited income and resources, **it may be possible to get both Social Security and SSI benefits.**

Some Social Security and SSI rules are the same. For example, the rules to decide if you are disabled are the same for both Social Security and SSI. For example, you must be unable to do any kind of work to be considered disabled under both programs.

Other Social Security and SSI rules are different. For example, there is a 6-month waiting period to get Social Security disability benefits, but you can get SSI benefits right after you apply. There are also different rules for people with disabilities who want to go back to work.

CHAPTER 3—MEDICARE

OVERVIEW

The Medicare Program will be an important part of the lives of nearly every American age 65 and older. While Medicare will pay a large part of your health care expenses, it will not cover your total costs. It is estimated that for the average older American, Medicare will cover about one-half of health care expenses. Thus, it is important to know what costs Medicare will and will not cover, and to understand that you are responsible for paying the expenses that Medicare will not cover with your personal savings or private insurance.

In the next few pages, general questions about the Medicare Program will be answered. A brief discussion of Part A, Part B, and Medicare's gaps follow.

What Is Medicare?

Medicare is a Federal health insurance program designed to help people age 65 and older, as well as certain disabled people under age 65 and people of any age who have permanent kidney failure. The program is run by the Health Care Financing Administration of the U.S. Department of Health and Human Services. Social Security Administration offices across the nation accept Medicare applications and provide general information about the program.

The Medicare Program is divided into two parts, referred to as Part A and Part B. In general, Part A, the Hospital Insurance Program, covers inpatient hospital care and related services. Part B, the Medical Insurance Program, covers physicians' costs and related services.

Am I Eligible for Part A?

IF YOU ARE AGE 65 OR OLDER

If you are age 65 or older, you are entitled to Part A benefits if:

1. You receive benefits (or could receive benefits) under the Social Security or Railroad Retirement System; or
2. You are entitled to Social Security benefits based on your spouse's work record, and your spouse (the worker) is at least age 62 (note that you can be eligible for Part A coverage even if your spouse does not apply for benefits); or
3. You have worked long enough for Federal, State, or local government to be insured for Medicare.

IF YOU ARE UNDER AGE 65

1. You are disabled and you have been receiving Social Security disability benefits for 24 months (Note that disabled widows and

widowers under age 65, disabled divorced widows and widowers under age 65, and disabled children may be eligible for Medicare); or

2. You have worked long enough in Federal, State, or local government, and you meet the requirements of the Social Security disability program; or

3. You receive a disability annuity from the Railroad Retirement Board and you have completed a waiting period. (Contact your Railroad Retirement office for more details.)

IF YOU HAVE CHRONIC KIDNEY FAILURE AT ANY AGE

You are eligible for hospital insurance at any age if you have chronic kidney failure requiring regular kidney dialysis or a kidney transplant and

1. You have worked long enough to be insured, or you are already receiving monthly benefits, under the Social Security or Railroad Retirement System; or

2. You are the spouse or dependent child of a worker who has worked long enough to be insured, or who is already receiving benefits, under the Social Security or Railroad Retirement System; or

3. You have worked long enough in government to be insured for Medicare.

Note that only the family member with chronic kidney failure is eligible for Medicare benefits, unless the other members are eligible for benefits on their own as an aged or disabled person. Other special rules apply. For more information, contact the Social Security Administration and **request the free publication "Medicare Coverage of Kidney Dialysis and Kidney Transplant Services" (HCFA-10128).**

AM I ELIGIBLE FOR PART B?

If you are enrolled in Part A, you generally may choose to enroll in Part B for a monthly premium. Everyone who enrolls in Part B must pay a monthly premium, as explained below.

Certain people who receive Part A benefits **must** enroll in Part B. If you are eligible for Medicare benefits because you fall within the following categories, you must enroll in Part B:

1. You have chronic kidney failure.

2. You are not insured under the Social Security or Railroad Retirement System, but wish to receive Medicare benefits. (In this case you must pay for both the monthly Part A and Part B premiums.)

IF I GET MEDICARE, DO MY DEPENDENTS AUTOMATICALLY GET BENEFITS?

No. It is important to understand that (1) Medicare covers individuals (you may qualify under your own work record or your spouse's Social Security record) and (2) unless you fall within a few exceptions, you must be at least 65 years old to qualify for Medicare benefits. The Medicare Program is not a family health plan.

For example, if your spouse is under age 65 (and is not disabled or does not have chronic kidney failure), he or she will not receive Medicare benefits, even if you are over age 65 and receive Medi-

care benefits. Your spouse must qualify for the Medicare Program on his or her own upon turning age 65.

How Much Do I Pay for Medicare Coverage?

PART A

If you fall within one of the above categories—that is, you are entitled to receive Part A benefits—you will receive Part A benefits without having to pay a monthly premium. Part A benefits are financed by a portion of the payroll taxes that you and your employer paid (or a portion of the self-employment taxes that you paid) during your working years. (See "What Taxes Do I Pay For Social Security Benefits?" on page 2.)

If you do not fall within one of the above categories—that is, you are not entitled to receive Medicare benefits because you are not insured by Social Security—you still can get Medicare coverage by paying a monthly premium. In 1991, the monthly Part A premium is $177 and the monthly Part B premium is $29.90. Note that if you are not covered by Social Security and want Medicare coverage, you must pay for both Part A and Part B.

Please note: **If you are not covered by Medicare, you should find out if you qualify for Medicaid, a Federal-State program that offers medical services to certain needy persons.** For more information, contact your local Medicaid office, which is listed in your phone book under the State government section.

PART B

Everyone who either chooses or must enroll in Part B must pay a monthly premium. In 1991, the monthly premium is $29.90. In 1992, the monthly premium will be $31.80.

Most people who have the option of enrolling in Part B choose to do so because **it is a very wise buy.** The Federal Government pays approximately 75 percent of the cost of your Part B premiums. It is also extremely unlikely that you could purchase similar private insurance coverage at the current monthly premium cost.

Do not delay enrolling in Part B. If you do not enroll in Part B within the prescribed time, your coverage may be delayed and you may be charged a penalty for late enrollment. See the sections below entitled "How and When Should I Enroll In Medicare?" and "Why Is It So Important When I Sign Up For Medicare?".

How and When Do I Enroll in Medicare?

IF YOU ARE ALREADY RECEIVING SOCIAL SECURITY BENEFITS

If you are already receiving Social Security benefits, you will automatically receive a Medicare card in the mail 2 to 3 months before you turn age 65 (or 2 to 3 months before you become eligible for Medicare if you are receiving Social Security or Railroad Retirement disability benefits). Your Medicare card will show that you can get both Part A (hospital insurance) and Part B (medical insurance) benefits. If you do not want Part B, you must follow the instructions that come with your Medicare card. (Your Part B pre-

miums are automatically deducted from your monthly Social Security check.)

IF YOU PLAN TO RETIRE AT AGE 65

If you plan to retire at age 65, contact the Social Security Administration 3 months before your 65th birthday. You can sign up for Social Security retirement benefits and Medicare at the same time.

IF YOU PLAN TO WORK PAST AGE 65

If you intend to work past age 65 and delay collecting Social Security retirement benefits (see the section entitled "Delayed Retirement" on page 20), contact the Social Security Administration and let the representative know your intentions 3 months before you turn age 65. Even though you do not retire at age 65, you can still receive Medicare benefits.

IF YOU ARE A GOVERNMENT EMPLOYEE OR RETIREE

If you are a government employee or retiree who is eligible for Medicare because of government work, you should contact the Social Security Administration 3 months before you turn age 65.

IF YOU HAVE KIDNEY DISEASE

If you have chronic kidney failure requiring regular dialysis or a kidney transplant, contact the Social Security Administration immediately. You must fill out an application for Medicare benefits.

WHY IS IT SO IMPORTANT WHEN I SIGN UP FOR MEDICARE?

There are specific rules about when you can sign up for Part B (medical insurance). It is critical that you contact the Social Security Administration in a timely manner—**if you wait too long, it could mean that you will not be covered for a period and that you will be required to pay higher premiums.** Here's how the rules work:

INITIAL ENROLLMENT PERIOD—7 MONTHS

When you are about to become eligible for medical insurance, you have 7 months to sign up. This 7-month period begins 3 months before you first become eligible and ends 3 months after that month.

When your coverage begins depends on when you sign up. For example, if you enroll during the first 3 months, your medical insurance will start with the month you actually become eligible. So, do not delay. If you sign up during this period, there will be no delay in your coverage.

If you sign up during the last 4 months, your coverage will start 1 to 3 months after you sign up. So, you can see why it's so important to avoid any delay.

GENERAL ENROLLMENT PERIOD

If you do not sign up during the initial 7-month enrollment period, you cannot sign up until the next "general enrollment period." This period runs from January 1 to March 31 of each year.

If you enroll during the general enrollment period, your coverage will not start until the following July. In addition, you may be required to pay a monthly premium that is 10 percent higher for each 12-month period you could have enroll, but were not enrolled. Again, **do not delay in enrolling for these important benefits!**

Are My Medicare Benefits Taxable?

No. You do not pay taxes on the Medicare benefits you receive. If you itemize your deductions on your annual Federal income tax return, you may be entitled to deduct your medical expenses, including your Medicare premiums, deductibles, and co-insurance payments, if they exceed 7.5 percent of your adjusted gross income.

Some Definitions

Before we begin our discussion on what Medicare does or does not cover, we need to define some important terms.

Assignment.—A method by which Medicare pays your doctor or supplier. By "accepting assignment", your doctor agrees to accept the Medicare Program's payment as payment in full. You, however, still must pay any required deductibles and co-insurance.

Benefits Period.—A benefit period begins the day you enter a hospital. It ends when you have been out of the hospital (or other facility) for 60 days in a row. There is no limit to the number of benefits periods you can have for hospital and skilled nursing facility care. However, there are special limits that apply to hospice care.

Let's look at an example. If you enter the hospital on January 5th and leave on January 15th, you will have used 10 days of your first benefit period. Let's assume that you are hospitalized again on July 20th. Because more than 60 days have elapsed between your hospital stays, you will begin a new benefit period on July 20th. This means that your Part A coverage is completely renewed and you must again pay the hospital deductible.

Carrier.—These are private insurance organizations under contract with the Federal Government to process Medicare claims and make payments to doctors and other suppliers of services under Medicare's Part B (medical insurance) Program.

Claim.—A request for payment by a beneficiary or a provider acting on a beneficiary's behalf. Claims are submitted to a carrier (Part B services) or intermediary (Part A services).

Co-payment or co-insurance.—This is the percentage of health care expenses that you are responsible for paying.

Deductible.—A deductible is an amount that you must pay before the Medicare Program will pay for benefits.

Home Health Agency.—A home health agency is a public or private agency that specializes in giving skilled nursing services and other therapeutic services, such as physical or speech therapy, in your home.

Hospice Care.—This type of care emphasizes pain relief and comfort for patients for whom there is no chance of cure. Hospice care is designed to help terminally ill patients remain free from pain in the home or a home-like environment for as long as possible.

Hospital Insurance (Part A).—This is the part of the Medicare Program that helps pay for inpatient hospital care, inpatient care in a skilled nursing facility, home health care, and hospice care.

Intermediaries.—These are private insurance organizations under contract with the Federal Government to process Medicare payments for services provided by hospitals, skilled nursing facilities, and home health agencies under Medicare's Part A (hospital insurance) Program.

Medical Insurance (Part B).—This is the part of the Medicare Program that helps pay for doctors' services, outpatient hospital services, and a number of other medical services and supplies.

Medigap policy.—Private health insurance designed to supplement Medicare coverage. Also called "supplemental health insurance."

Participating Doctor or Supplier.—A doctor or supplier who agrees to accept assignment on all Medicare claims.

Peer Review Organization.—Groups of practicing doctors and other health care professionals who are under contract with the Federal Government to review the care provided to Medicare patients.

Provider.—Providers include hospitals, skilled nursing facilities, home health care agencies, and hospices that provide services under the Medicare Part A Program. Such providers are said to be "Medicare-participating."

Skilled Nursing Facility.—In general, a skilled nursing facility is a place where skilled personnel, such as registered nurses or therapists, provide specialized care and rehabilitation services to sick and injured persons.

PART A—HOSPITAL INSURANCE

What Coverage Will I Receive Under Part A?

Medicare Part A will help pay for four kinds of medically necessary care:

1. Inpatient *hospital care*;
2. Inpatient care in a *skilled nursing facility* after you have been in the hospital;
3. *Home health care*; and
4. *Hospice care*.

How Will Medicare Pay for Part A Services?

Hospitals, skilled nursing facilities, home health care agencies and hospices are called "providers." If you are hospitalized, your provider will submit their claims directly to Medicare. It is not your responsibility to submit claims for your provider's services.

Your provider will, however, charge you for any part of the Part A deductible you have not met and any co-insurance you owe. It is your responsibility to pay these charges.

Note that when your provider sends a Part A claim for payment, you will get a "Notice of Utilization." This will explain the decision that Medicare made on the claim.

Let's take a closer look at each of these services.

Inpatient Hospital Care

WHEN CAN MEDICARE PAY?

If you need care in a hospital, Part A will help pay for up to 90 days in any Medicare-participating hospital if you meet all four of the following conditions:

1. Your doctor prescribes inpatient hospital care for treatment of your illness or injury.
2. You require the kind of care that can be provided only in a hospital.
3. The hospital is participating in Medicare.
4. Your hospital stay is not disapproved by the the hospital review committee, a Peer Review Organization, or an intermediary.

HOW MUCH WILL MEDICARE PAY?

In 1991, for the first 60 days you are hospitalized, Medicare will pay for all "covered services" except the first $628. You must pay the first $628. For days 61 to 90, Part A will pay for all covered services except for $157 a day.

If you are in the hospital for more than 90 days, you can choose to use your "reserve days." Reserve days are an extra 60 hospital days you can use if you must stay in the hospital for more than 90 days. It is important to know that you have only 60 reserve days to use in your lifetime. **Once you use a reserve day, you never get it back.** Reserve days are not renewable. In 1991, for each reserve day you use, Medicare will pay for all covered services except for $314 a day.

WHAT SERVICES ARE COVERED UNDER PART A?

In general, if you meet the above four requirements, Medicare will pay for these "covered services" while you are in a hospital:

- semi-private room (two to four beds in a room)
- all your meals
- regular nursing services
- anesthesia services
- operating and recovery room costs
- intensive care and coronary care
- drugs, lab tests, and X-rays
- medical supplies, such as casts, surgical dressings, and splints
- use of medical appliances while in the hospital, such as wheelchairs and walkers
- rehabilitation services, such as physical therapy, occupational therapy, and speech pathology services
- preparatory services related to kidney transplant surgery
- blood transfusions furnished by the hospital during your stay, except for the first three pints of blood.

Note that physician services that you receive while you are in the hospital are covered under medicare's Part B (medical insurance) Program. A discussion of Part B begins on page 55.

Skilled Nursing Facility Care

WHEN CAN MEDICARE PAY?

Following a hospital stay, Medicare will help pay for the inpatient skilled nursing or rehabilitation services that you receive in a Medicare-participating skilled nursing facility if you meet all six of the following conditions:

1. Your condition requires daily skilled nursing or skilled rehabilitation services which, as a practical matter, can only be provided in a skilled nursing facility.
2. You have been in a hospital at least three days in a row (not counting the day of discharge) before you are admitted to a participating skilled nursing facility.
3. You are admitted to the skilled nursing facility within a short time after you leave the hospital.
4. Your care in the skilled nursing facility is for a condition that was treated in the hospital, or for a condition that arose while you were receiving care in the skilled nursing facility for a condition which was treated in the hospital.
5. A medical professional certifies that you need, and you receive, skilled nursing or skilled rehabilitation services on a daily basis.
6. Your stay in the skilled nursing facility is not disapproved by the Medicare intermediary.

HOW MUCH WILL MEDICARE PAY?

If you meet the six conditions above, Part A will pay for up to 100 days in a Medicare-participating skilled nursing facility in each benefit period. In 1991, for the first 20 days, Part A will pay for all

covered services. For the next 80 days, Part A will pay for all covered services, except $78.50 a day.

WHAT SERVICES ARE COVERED UNDER PART A?

In general, Part A will pay for these covered services while you are in a skilled nursing facility:

- semi-private room (two to four beds in a room)
- all your meals
- regular nursing services
- rehabilitation services, such as physical, occupational, and speech therapy
- drugs furnished by the facility during your stay
- blood transfusion furnished during your stay, except for the first three pints of blood
- medical supplies
- use of medical appliances during your stay.

Note: **it is very important to understand that "custodial care" is not covered by Medicare.** Custodial care is the type of care that could be given by someone who is not medically skilled, such a help with dressing, walking, or eating.

Home Health Care

WHEN CAN MEDICARE PAY?

If you are confined to your home and you need skilled health care for the treatment of an illness or injury, Part A will help pay for certain home health services furnished by a participating home health agency if all four of the following conditions are meet:

1. The care you need includes intermittent skilled nursing care, physical therapy, or speech therapy.
2. You are confined to your home; i.e., you are homebound.
3. You are under the care of a physician who determines you need home health care and sets up a home health plan for you.
4. The home health agency providing services is participating in Medicare.

HOW MUCH WILL MEDICARE PAY?

If you meet all the above requirements, Part A will pay the full approved cost of home health visits from a Medicare-participating home health agency. There is no limit to the number of covered visits you can have.

WHAT SERVICES ARE COVERED UNDER PART A?

In general, Part A will cover these home health care services:

- part-time skilled nursing care
- physical therapy
- speech therapy.

If you need one of more of these services, Part A also will cover:

- occupational therapy
- part-time services of home health aides
- medical social services
- medical supplies

• medical equipment (only 80 percent of the cost is covered; you are responsible for a 20 percent co-payment).

Hospice Care

WHEN CAN MEDICARE PAY?

If you are terminally ill, you can now choose between traditional Medicare coverage or hospice care for the management of your illness. If you choose hospice care, you still retain your regular Medicare coverage for all other injuries or illnesses.

Hospice care is a special type of care provided if you are terminally ill. It includes both home care and inpatient care, as well as a variety of services that are not otherwise covered under Medicare, including homemaker services.

If you are terminally ill, Part A will help pay for your hospice care if you meet all three of the following conditions:

1. A doctor certifies that you are terminally ill.
2. You choose to receive care from a hospice instead of standard Medicare benefits for your terminal illness. (A hospice is a public or private organization that provides pain relief, symptom management, and support services for people who are terminally ill.)
3. Your care is provided by a Medicare-participating hospice program.

HOW MUCH WILL MEDICARE PAY?

Special benefit periods apply to hospice care. Part A will pay for two 90-day periods, followed by a 30-day period. You can use these benefit periods consecutively, for a total of 210 days. Beginning in 1991, if you remain terminally ill, your hospice benefit period will be indefinitely extended.

Part A will pay the full cost of all covered services, except for a small co-insurance amount for outpatient drugs and inpatient respite care. (In 1991, you must pay no more than $5 per prescription and about $4.34 per day for inpatient respite care.) There are no deductibles to pay.

WHAT SERVICES ARE COVERED UNDER PART A?

In general, if you meet all three conditions, Part A will pay for these covered services:

- nursing services
- doctors' services
- drugs, including outpatient drugs for pain relief and symptom management
- physical, occupational, and speech therapy
- home health aide and homemaker services
- medical social services
- medical supplies and appliances.
- respite care (short-term inpatient care to give temporary relief to the person who normally assists with the home care)
- counseling.

MEDICARE (PART A): HOSPITAL INSURANCE-COVERED SERVICES

Services	Benefit	Medicare Pays**	You Pay**
HOSPITALIZATION *per benefit period* (1) Semiprivate room and board, general nursing and miscellaneous hospital services and supplies.	First 60 days	All but $628	$628
	61st to 90th day	All but $157 a day	$157 a day
	91st to 150th day*	All but $314 a day	$314 a day
	Beyond 150 days	Nothing	All costs
POSTHOSPITAL SKILLED NURSING FACILITY CARE *per benefit period* (1) You must have been in a hospital for at least 3 days and enter a Medicare-approved facility generally within 30 days after hospital discharge. (2)	First 20 days	100% of approved amount	Nothing
	Additional 80 days	All but $78.50 a day	$78.50 a day
	Beyond 100 days	Nothing	All costs
HOME HEALTH CARE	Visits limited to medically necessary skilled care.	Full cost of services; 80% of approved amount for durable medical equipment.	Nothing for services; 20% of approved amount for durable medical equipment.
HOSPICE CARE Available to terminally ill.	As long as doctor certifies need.	All but limited costs for outpatient drugs and inpatient respite care.	Limited cost sharing for outpatient drugs and inpatient respite care.
BLOOD	Blood	All but first 3 pints per calendar year.	For first 3 pints.***

1991 Part A monthly premium: None for most beneficiaries.
$177 if you must buy Part A (Premium may be higher if you enroll late).

* 60 reserve days may be used only once; days used are not renewable.

** These figures are for 1991 and are subject to change each year.

*** To the extent the blood deductible is met under one part of Medicare during the calendar year, it does not have to be met under the other part.

(1) A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital or skilled nursing facility for 60 days in a row.

(2) Medicare and private insurance will not pay for most nursing home care.

You Have the Right To Appeal

It is critical to understand that if you disagree with a decision on the amount Medicare will pay on a claim or whether services you received are covered by Medicare, you have the right to appeal the decision.

If you have a dispute about a Part A claim, for example, because you feel that you have been improperly refused admission to a hospital, or that you are being forced to leave the hospital too soon, you have the right to have your case reconsidered by the "peer review organization" in your State. Peer Review Organizations (PROs) are groups of practicing doctors and other health care professionals who are paid by the Federal Government to review the care given to Medicare patients. Each State has a PRO that decides

- whether care is reasonable and necessary
- whether care is provided in the appropriate setting, and
- whether care meets the standards of quality accepted by the Medical profession.

The PROs for each State are listed beginning on page 51.

When you are admitted to a Medicare participating hospital, you will receive a notice called "An Important Message From Medicare." Review this notice carefully. It is reproduced below. The notice contains a brief description of PROs, and the name, address, and phone number of the PROs in your State. It also describes the procedure you must follow if you receive a "Notice of Noncoverage" informing you that Medicare will no longer pay for your hospital care.

PROs have the authority to deny payments if care is not medically necessary or not delivered in the most appropriate setting. If the PRO reconsiders your care and its decision is not in your favor, you have the right to request a hearing before an Administrative Law Judge. For an appeal to go beyond the reconsideration stage to the Administrative Law Judge level, the dispute must involve at least $200. Cases involving $2,000 or more can eventually be appealed to a Federal Court.

SAMPLE

AN IMPORTANT MESSAGE FROM MEDICARE

YOUR RIGHTS WHILE YOU ARE A MEDICARE HOSPITAL PATIENT

- You have the right to receive all the hospital care that is necessary for the proper diagnosis and treatment of your illness or injury. According to Federal law, your discharge date must be determined solely by your medical needs, not by "DRGs" or Medicare payments.

- You have the right to be fully informed about decisions affecting your Medicare coverage and payment for your hospital stay and for any post-hospital services.

- You have the right to request a review by a Peer Review Organization of any written Notice of Noncoverage that you receive from the hospital stating that Medicare will no longer pay for your hospital care. Peer Review Organizations (PROs) are groups of doctors who are paid by the Federal Government to review medical necessity, appropriateness and quality of hospital treatment furnished to Medicare patients. The phone number and address of the PRO for your area are:

  _____
  _____
  _____

TALK TO YOUR DOCTOR ABOUT YOUR STAY IN THE HOSPITAL

You and your doctor know more about your condition and your health needs than anyone else. Decisions about your medical treatment should be made between you and your doctor. If you have any questions about your medical treatment, your need for continued hospital care, your discharge, or your need for possible post-hospital care, don't hesitate to ask your doctor. The hospital's patient representative or social worker will also help you with your questions and concerns about hospital services.

IF YOU THINK YOU ARE BEING ASKED TO LEAVE THE HOSPITAL TOO SOON

- Ask a hospital representative for a written notice of explanation immediately, if you have not already received one. This notice is called a "Notice of Noncoverage." You must have this Notice of Noncoverage if you wish to exercise your right to request a review by the PRO.

- The Notice of Noncoverage will state either that your doctor or the PRO agrees with the hospital's decision that Medicare will no longer pay for your hospital care.

  - If the hospital and your doctor agree, the PRO does not review your case before a Notice of Noncoverage is issued. But the PRO will respond to your request for a review of your Notice of Noncoverage and seek your opinion. You cannot be made to pay for your hospital care until the PRO makes its decision, if you request the review by noon of the first work day after you receive the Notice of Noncoverage.

  - If the hospital and your doctor disagree, the hospital may request the PRO to review your case. If it does make such a request, the hospital is required to send you a notice to that effect. In this situation the PRO must agree with the hospital or the hospital cannot issue a Notice of Noncoverage. You may request that the PRO reconsider your case after you receive a Notice of Noncoverage but since the PRO has already reviewed your case once, you may have to pay for at least one day of hospital care before the PRO completes this reconsideration.

IF YOU DO NOT REQUEST A REVIEW, THE HOSPITAL MAY BILL YOU FOR ALL THE COSTS OF YOUR STAY BEGINNING WITH THE THIRD DAY AFTER YOU RECEIVE THE NOTICE OF NONCOVERAGE. THE HOSPITAL, HOWEVER, CANNOT CHARGE YOU FOR CARE UNLESS IT PROVIDES YOU WITH A NOTICE OF NONCOVERAGE.

SAMPLE

HOW TO REQUEST A REVIEW OF THE NOTICE OF NONCOVERAGE

o If the Notice of Noncoverage states that your physician agrees with the hospital's decision:

+ You must make your request for review to the PRO by noon of the first work day after you receive the Notice of Noncoverage by contacting the PRO by phone or in writing.

+ The PRO must ask for your views about your case before making its decision. The PRO will inform you by phone or in writing of its decision on the review.

+ If the PRO agrees with the Notice of Noncoverage, you may be billed for all costs of your stay beginning at noon of the day after you receive the PRO's decision.

+ Thus, you will not be responsible for the cost of hospital care before you receive the PRO's decision.

o If the Notice of Noncoverage states that the PRO agrees with the hospital's decision:

+ You should make your request for reconsideration to the PRO immediately upon receipt of the Notice of Noncoverage by contacting the PRO by phone or in writing.

+ The PRO can take up to three working days from receipt of your request to complete the review. The PRO will inform you in writing of its decision on the review.

+ Since the PRO has already reviewed your case once, prior to the issuance of the Notice of Noncoverage, the hospital is permitted to begin billing you for the cost of your stay beginning with the third calendar day after you receive your Notice of Noncoverage even if the PRO has not completed its review.

+ Thus, if the PRO continues to agree with the Notice of Noncoverage, you may have to pay for at least one day of hospital care.

NOTE: The process described above is called "immediate review." If you miss the deadline for this immediate review while you are in the hospital, you may still request a review of Medicare's decision to no longer pay for your care at any point during your hospital stay or after you have left the hospital. The Notice of Noncoverage will tell you how to request this review.

POST-HOSPITAL CARE

When your doctor determines that you no longer need all the specialized services provided in a hospital, but you still require medical care, he or she may discharge you to a skilled nursing facility or home care. The discharge planner at the hospital will help arrange for the services you may need after your discharge. Medicare and supplemental insurance policies have limited coverage for skilled nursing facility care and home health care. Therefore, you should find out which services will or will not be covered and how payment will be made. Consult with your doctor, hospital discharge planner, patient representative and your family in making preparations for care after you leave the hospital. Don't hesitate to ask questions.

ACKNOWLEDGMENT OF RECEIPT-My signature only acknowledges my receipt of this Message from (name of hospital) on (date) and does not waive any of my rights to request a review or make me liable for any payment.

_____ _____

Signature of beneficiary or person acting on behalf of beneficiary

(Date of receipt)

MEDICARE PEER REVIEW ORGANIZATIONS (PROs)

PROs can answer questions about hospital stays and other Hospital Insurance (Part A) services. Do not call the PRO with questions about Medicare Medical Insurance (Part B).

ALABAMA
Alabama Quality Assurance Foundation
Suite 600
600 Beacon Parkway West
Birmingham, AL 35209-3154
1-800-288-4992
205-942-0785

ALASKA
Professional Review Organization for Washington
(PRO for Alaska)
Suite 300
10700 Meridian Avenue, North
Seattle, WA 98133-9008
1-800-445-6941
206-364-9700
(in Anchorage dial 562-2252)

AMERICAN SAMOA/GUAM AND HAWAII
Hawaii Medical Service Association
(PRO for American Samoa/Guam and Hawaii)
818 Keeaumoku Street
P.O. Box 860
Honolulu, HI 96808
808-944-3581

ARIZONA
Health Services Advisory Group, Inc.
301 East Bethany Home Road
Suite B-157
P.O. Box 16731
Phoenix, AZ 85012
1-800-626-1577
(in Arizona dial 1-800-359-9909)
602-264-6382

ARKANSAS
Arkansas Foundation for
Medical Care, Inc.
P.O. Box 2424
809 Garrison Avenue
Fort Smith, AR 72902
1-800-824-7586
(in Arkansas dial 1-800-272-5528)
501-785-2471

CALIFORNIA
California Medical Review Inc.
Suite 500
60 Spear Street
San Francisco, CA 94105
1-800-841-1602 (in-state only)
1-415-882-5800*

COLORADO
Colorado Foundation for Medical Care
1260 South Parker Road
P.O. Box 17300
Denver, CO 80217-0300
1-800-727-7086 (in-state only)
1-303-695-3333*

CONNECTICUT
Connecticut Peer Review Organization, Inc.
100 Roscommon Drive, Suite 200
Middletown, CT 06457
1-800-553-7590 (in-state only)
1-203-632-2008*

DELAWARE
West Virginia Medical Institute, Inc.
(PRO for Delaware)
3412 Chesterfield Ave. S.E.
Charleston, WV 25304
1-800-522-0446
(Delaware, District of Columbia, Maryland,
Pennsylvania and Virginia)
304-925-0461
(in Wilmington dial 655-3077)

DISTRICT OF COLUMBIA
Delmarva Foundation for Medical Care, Inc.
(PRO for D.C.)
341 B North Aurora Street
Easton, MD 21601
1-800-645-0011
(in Maryland dial 1-800-492-5811)
301-822-0697

FLORIDA
Professional Foundation for Health Care, Inc.
Suite 100
2907 Bay to Bay Blvd.
Tampa, FL 33629
1-800-634-6280 (in-state only)
813-831-6273

GEORGIA
Georgia Medical Care Foundation
Suite 200
57 Executive Park South
Atlanta, GA 30329
1-800-282-2614 (in-state only)
404-982-0411

HAWAII
Hawaii Medical Service Association
(PRO for American Samoa/Guam and Hawaii)
818 Keeaumoku Street
P.O. Box 860
Honolulu, HI 96808
1-808-944-3586*
808-944-3581

IDAHO
Professional Review Organization for Washington
(PRO for Idaho)
Suite 300
10700 Meridian Avenue, North
Seattle, WA 98133-9008
1-800-445-6941
206-364-9700
1-208-343-4617* (local Boise and collect)

ILLINOIS
Crescent Counties Foundation for Medical Care
350 Shuman Boulevard, Suite 240
Naperville, IL 60563
1-800-647-8089
708-357-8770

INDIANA
Sentinel Medical Review Organization
2901 Ohio Boulevard
P.O. Box 3713
Terre Haute, IN 47803
1-800-877-2901
812-234-1499

IOWA
Iowa Foundation for Medical Care
Colony Park
3737 Woodland Avenue, Suite 500
West Des Moines, IA 50265
1-800-752-7014 (in-state only)
515-223-2900

KANSAS
The Kansas Foundation for Medical Care, Inc.
2947 S.W. Wanamaker Drive
Topeka, KS 66614
1-800-432-0407 (in-state only)
913-273-2552

KENTUCKY
Sentinel Medical Review Organization
10503 Timberwood Circle, Suite 200
P.O. Box 23540
Louisville, KY 40223
1-800-288-1499
502-339-7442

LOUISIANA
Louisiana Health Care Review
9357 Interline Avenue, Suite 200
Baton Rouge, LA 70809
1-800-433-4958 (in-state only)
504-926-6353

MAINE
Health Care Review, Inc.
(PRO for Maine)
Henry C. Hall Building
345 Blackstone Blvd.
Providence, RI 02906
1-800-541-9888 or
1-800-528-0700 (both numbers in Maine only)
401-331-6661
1-207-945-0244*

MARYLAND
Delmarva Foundation for Medical Care, Inc.
(PRO for Maryland)
341 B North Aurora Street
Easton, MD 21601
1-800-645-0011
(in Maryland dial 1-800-492-5811)
301-822-0697

MASSACHUSETTS
Massachusetts Peer Review Organization, Inc.
300 Bearhill Road
Waltham, MA 02154
1-800-252-5533 (in-state only)
617-890-0011*

MICHIGAN
Michigan Peer Review Organization
40500 Ann Arbor Road, Suite 200
Plymouth, MI 48170
1-800-365-5899
313-459-0900

MINNESOTA
Foundation for Health Care Evaluation
Suite 400
2901 Metro Drive
Bloomington, MN 55425
1-800-444-3423
612-854-3306

MISSISSIPPI
Mississippi Foundation for Medical Care, Inc.
P.O. Box 4665
735 Riverside Drive
Jackson, MS 39296-4665
1-800-844-0600 (in-state only)
601-948-8894

MISSOURI
Missouri Patient Care Review Foundation
505 Hobbs Lane, Suite 100
Jefferson City, MO 65109
1-800-347-1016
314-893-7900

MONTANA
Montana-Wyoming Foundation for Medical Care
21 North Main
Helena, MT 59601
1-800-332-3411 (in-state only)
1-406-443-4020*

NEBRASKA
Iowa Foundation for Medical Care
(PRO for Nebraska)
Colony Park, Suite 500
3737 Woodland Avenue
West Des Moines, IA 50265
1-800-247-3004 (in Nebraska only)
515-223-2900

NEVADA
Nevada Peer Review
675 East 2100 South, Suite 270
Salt Lake City, UT 84106-1864
1-800-558-0829 (in Nevada only)
801-487-2290
1-702-385-9933*

NEW HAMPSHIRE
New Hampshire Foundation for Medical Care
110 Locust Street
Dover, NH 03820
1-800-582-7174 (in-state only)
1-603-749-1641*

NEW JERSEY
The Peer Review Organization of New Jersey, Inc.
Central Division
Brier Hill Court, Building J
East Brunswick, NJ 08816
1-800-624-4557 (in-state only)
1-201-238-5570*

NEW MEXICO
New Mexico Medical Review Association
707 Broadway N.E., Suite 200
P.O. Box 9900
Albuquerque, NM 87119-9900
1-800-432-6824 (in-state only)
505-842-6236

NEW YORK
Island Peer Review Organization, Inc.
9525 Queens Blvd.
Rego Park, NY 11374-4511
1-800-331-7767 (in-state only)
1-718-896-7230*
(in metro area and New York City dial 275-9894)

NORTH CAROLINA
Medical Review of North Carolina
Suite 200
P.O. Box 37309
1011 Schaub Drive
Raleigh, NC 27627
1-800-682-2650 (in-state only)
803-731-8225

NORTH DAKOTA
North Dakota Health Care Review, Inc.
Suite 301
900 North Broadway
Minot, ND 58701
1-800-472-2902 (in-state only)
1-701-852-4231*

OHIO
Peer Review Systems, Inc.
Suite 250
3700 Corporate Drive
Columbus, OH 43231-4996
1-800-233-7337
614-895-9900

OKLAHOMA
Oklahoma Foundation for Peer Review, Inc.
Suite 400 The Paragon Building
5801 Broadway Extension
Oklahoma City, OK 73118-7489
1-800-522-3414 (in-state only)
405-840-2891

OREGON
Oregon Medical Professional Review Organization
Suite 200
1220 Southwest Morrison
Portland, OR 97205
1-800-344-4354 (in-state only)
503-279-0100*

PENNSYLVANIA
Keystone Peer Review Organization, Inc.
777 East Park Drive
P.O. Box 8310
Harrisburg, PA 17105-8310
1-800-322-1914 (in-state only)
717-564-8288

PUERTO RICO
Puerto Rico Foundation for Medical Care
Suite 605 Mercantile Plaza
Hato Rey, PR 00918
1-809-753-6705* or 1-809-753-6708*

RHODE ISLAND
Health Care Review, Inc.
Henry C. Hall Building
345 Blackstone Boulevard
Providence, RI 02906
1-800-221-1691 (New England-wide)
(in Rhode Island dial 1-800-662-5028)
1-401-331-6661*

SOUTH CAROLINA
Medical Review of North Carolina
(PRO for South Carolina)
P.O. Box 37309
1011 Schaub Drive, Suite 200
Raleigh, NC 27627
1-800-922-3089 (in-state only)
919-851-2955

SOUTH DAKOTA
South Dakota Foundation for Medical Care
1323 South Minnesota Avenue
Sioux Falls, SD 57105
1-800-658-2285
605-336-3505

TENNESSEE
Mid-South Foundation for Medical Care
Suite 400
6401 Poplar Avenue
Memphis, TN 38119
1-800-873-2273
901-682-0381

TEXAS
Texas Medical Foundation
Barton Oaks Plaza Two, Suite 200
901 Mopac Expressway South
Austin, TX 78746
1-800-777-8315 (in-state only)
512-329-6610

UTAH
Utah Peer Review Organization
675 East 2100 South
Suite 270
Salt Lake City, UT 84106-1864
1-800-274-2290
801-487-2290

VERMONT
New Hampshire Foundation for Medical Care
(PRO for Vermont)
110 Locust Street
Dover, NH 03820
1-800-642-5066 (in Vermont only)
603-749-1641
1-802-862-6447*

VIRGIN ISLANDS
Virgin Islands Medical Institute
P.O. Box 1566
Christiansted
St. Croix, U.S.A. VI 00820-1566
1-809-778-6470*

VIRGINIA
Medical Society of Virginia Review Organization
1606 Santa Rosa Road, Suite 235
P.O. Box K 70
Richmond, VA 23288
1-800-545-3814 (DC, MD and VA)
804-289-5320
(in Richmond, dial 289-5320)

WASHINGTON
Professional Review Organization
for Washington
Suite 300
10700 Meridian Avenue, North
Seattle, WA 98133-9008
1-800-445-6941
206-364-9700
(in Seattle, dial 368-8272)

WEST VIRGINIA
West Virginia Medical Institute, Inc.
3412 Chesterfield Avenue, S.E.
Charleston, WV 25304
1-800-642-8686
304-925-0461
(in Charlestown, dial 925-0461)

WISCONSIN
Wisconsin Peer Review Organization
2001 W. Beltline Highway
Madison, WI 53713
1-800-362-2320 (in-state only)
608-274-1940

WYOMING
Montana-Wyoming Foundation for Medical Care
21 North Main
Helena, MT 59601
1-800-826-8978 (in Wyoming only)
1-406-443-4020*

PART B—MEDICAL INSURANCE

Medicare Part B helps pay your physician and surgeons' bills. Part B also helps pay for other medical services and supplies that are not covered under Part A. An easy way to understand the general distinction between Part A and Part B is as follows: If you are sick and need to be hospitalized, Part A will help. If you are sick but do not need to be hospitalized, Part B will help.

What Services Are Covered Under Part B?

Medical insurance helps cover services you receive from a doctor. Here are some examples of doctors' services covered under Part B:

- medical and surgical services, including anesthesia
- diagnostic tests that are part of your treatment
- X-rays
- radiology and pathology services by doctors while you are hospital inpatient or outpatient
- treatment of mental illness (payments for outpatient treatment are limited to 50 percent of approved charge, instead of 80 percent)
- services of your doctor's office nurse
- drugs that cannot be self-administered, blood transfusions, and other medical supplies

Other services covered by Part B include:

- outpatient hospital services you receive for diagnosis and treatment of an illness, including care in an emergency room or outpatient clinic of a hospital
- an unlimited number of home health visits if you don't have hospital insurance and if certain conditions are met
- ambulance transportation
- home dialysis equipment and support services
- outpatient physical therapy and speech pathology services
- radiation treatments
- durable medical equipment (only 80 percent of the cost is covered; you are responsible for a 20 percent co-payment)

MEDICARE (PART B): MEDICAL INSURANCE-COVERED SERVICES PER CALENDAR YEAR

Services	Benefit	Medicare Pays	You Pay
MEDICAL EXPENSE Physician's services, inpatient and outpatient medical services and supplies, physical and speech therapy, ambulance, etc.	Medicare pays for medical services in or out of the hospital.	80% of approved amount (after $100 deductible).	$100 deductible* plus 20% of approved amount (plus any charge above approved amount).**
HOME HEALTH CARE	Visits limited to medically necessary skilled care.	Full cost of services; 80% of approved amount for durable medical equipment.	Nothing for services; 20% of approved amount for durable medical equipment.
OUTPATIENT HOSPITAL TREATMENT	Unlimited if medically necessary.	80% of approved amount (after $100 deductible).	Subject to deductible plus 20% of approved amount.
BLOOD	Blood	80% of approved amount (after $100 deductible and starting with 4th pint).	First 3 pints plus 20% of approved amount (after $100 deductible).***

1991 Part B monthly premiums: $29.90 (Premium may be higher if you enroll late).

* Once you have had $100 of expense for covered services in 1991, the Part B deductible does not apply to any further covered services you receive for the rest of the year.

** You pay for charges higher than the amount approved by Medicare unless the doctor or supplier agrees to accept Medicare's approved amount as full payment for services rendered (see footnote on page 2).

*** To the extent the blood deductible is met under one part of Medicare during the calendar year, it does not have to be met under the other part.

How Much Must I Pay for Part B Coverage?

HOW MUCH IS THE MONTHLY PART B PREMIUM?

To receive Part B coverage, you must pay a small monthly premium—$29.90 per month in 1991. Also see "How Much Do I Pay For Medicare Coverage" on page 39. **Most people choose to pay for Part B coverage because it is any excellent buy.** This is especially true with rising medical costs and the fact that as you grow older, you will generally require more medical services.

WHAT DEDUCTIBLES AND CO-INSURANCE MUST I PAY?

In addition to the monthly premium, each year, before Part B will help pay for your doctor's services, you must meet the annual Part B "deductible." A deductible is an amount that you must pay before Medicare begins paying. In 1991, the annual deductible is $100.

After you meet the deductible, Medicare will generally pay 80 percent of "Medicare-approved" charges. (See the explanation that follows on "Medicare-Approved Charges.") You are responsible for paying the remaining 20 percent—your co-insurance amount.

WHAT ARE "MEDICARE-APPROVED" CHARGES?

Medicare determines what is a reasonable charge for each service you receive. If the charges for your services are more than the Medicare-approved amount, you generally will owe the Medicare co-insurance (20 percent of the Medicare-approved amount), plus charges above the Medicare-approved amount.

If your doctor accepts "assignment", you pay only the co-insurance amount. Thus, by choosing a doctor that accepts assignment, you could save many dollars. (See the explanation that follows on "Assignment.)

WHAT IS "ASSIGNMENT"?

"Assignment" is a method by which Medicare pays your doctor. If your doctor "accepts assignment", he or she agrees to accept the "Medicare approved" charge as total payment for the services that he or she has provided. Doctors who accept assignment are said to be "Medicare-participating." (See the explanation that follows, "How Do I Know If My Doctor Accepts Assignment?")

Here's an example of how assignment works:

(1) You receive medical services from your doctor.

(2) Your doctor will send a claim (a bill) to Medicare.

(3) Medicare will pay your doctor 80 percent of the Medicare-approved charge, after subtracting any part of the $100 annual deductible you have not met.

(4) Your doctor will give you a bill for:

(a) any part of the $100 annual deductible you have not met, and

(b) the remaining 20 percent of the Medicare-approved charge, and

(c) any services you receive that Medicare does not cover.

(5) Medicare will send you a notice called "Explanation of Medicare Benefits" which will explain what Medicare has paid for and why. (See the section entitled "Explanation of Medicare Benefits Notice" on page 59.)

Note that effective September 1, 1990, doctors/suppliers must submit Medicare claims for you, even if they do not take assignment.

HOW DO I KNOW IF MY DOCTOR "ACCEPTS ASSIGNMENT"?

To find out if your doctor accepts assignment, you can:

1. Call the Medicare carrier in your State and ask for a free copy of the "Medicare-Participating Physician/Supplier Directory" for your area. This directory lists the names and addresses of Medicare-participating doctors and suppliers by geographic area. Medicare carriers are listed beginning on page 61. (Medicare "carriers", also called "intermediaries", are health insurance organizations that are under contract with Medicare to process Medicare claims.)

2. Ask your doctor/supplier if he or she accepts assignment. Often Medicare-participating doctors/suppliers display emblems or certificates which show that they accept assignment on all Medicare claims.

Choosing a doctor/supplier who accepts assignment can save you money. However, it is your responsibility to find out whether your doctor/supplier does accept assignment. Remember that after you have received services, it is too late argue about whether your doctor will accept assignment. So, ask first and avoid any dispute later.

SAVE DOLLARS—TWO PAYMENT EXAMPLES

The example below illustrates how you can save money by choosing a doctor/supplier who accepts assignment. It is assumed in the example that you have already met your $100 deductible.

	Actual Charge	Medicare Approved Charge	Medicare Pays	You Pay
Doctor A Accepts Assignment.	$500	$400	$320 (80% of approved charge)	$80 (20% of approved charge)
Doctor B Does Not Accept Assignment.	$500	$400	$320 (80% of approved charge)	$180 (20% of approved charge, plus difference between actual and Medicare approved charge)

Explanation of Medicare Benefits Notice

After your doctor/supplier sends in a Part B claim, Medicare will send you a notice called an "Explanation of Medicare Benefits." This form will show you what Medicare paid for and why. For example, if you received services from a doctor, this notice will contain the following information:

1. whether your doctor took assignment on your claim;
2. the date and type of services that you received;
3. the amount billed and the amount approved;
4. the amount Medicare paid;
5. whether you have met your annual $100 deductible; and
6. the amount for which you are responsible.

Be sure that you **review this form carefully** and save it for your records. **If you suspect a mistake, call or write the carrier that handled your claim.**

You Have the Right To Appeal

If you have questions about Medicare Part B claims, i.e. you disagree with the "Explanation of Medicare Benefits" (see the section above entitled "Explanation of Medicare Benefits"), contact your Medicare carrier. "Carriers" are private insurance organizations under contract with the Federal Government to process Medicare claims and make payments to doctors and other suppliers covered under Medicare's Part B program. The addresses and phone numbers of carriers are listed below.

If you believe that payment has been incorrectly denied, you have the right to ask the carrier to review the decision. Often, asking for a review is worth the effort. A majority of reviews are resolved in favor of the beneficiary.

If you disagree with the carrier's written explanation of its review decision and the amount in question involves $100 or more, you have the right to request a hearing before a carrier hearing officer. If you disagree with the carrier hearing officer's decision and the amount in question involves $500 or more, you have right to request a hearing before an Administrative Law Judge. Cases involving $1,000 or more can eventually be appealed to a Federal Court.

MEDICARE CARRIERS

Carriers can answer questions about Medical Insurance (Part B)

Note: — **The toll-free or 800 numbers listed below can be used only in the states where the carriers are located.** Also listed are the local commercial numbers for the carriers. Out-of-state callers must use the commercial numbers.
— These carrier toll-free numbers are for beneficiaries to use and should not be used by doctors and suppliers.
— Many carriers have installed an automated telephone answering system. If you have a touch-tone telephone, you can follow the system instructions to find out about your latest claims and get other information. If you do not have a touch-tone telephone, stay on the line and someone will help you.

ALABAMA
Medicare/Blue Cross-Blue Shield of Alabama
P.O. Box 830-140
Birmingham, Alabama 35283-0140
1-800-292-8855
205-988-2244

ALASKA
Medicare/Aetna Life & Casualty
200 S.W. Market St.
P.O. Box 1998
Portland, Oregon 97207-1998
1-800-547-6333
503-222-6831 (customer service site actually in Oregon)

ARIZONA
Medicare/Aetna Life & Casualty
P.O. Box 37200
Phoenix, Arizona 85069
1-800-352-0411
602-861-1968

ARKANSAS
Medicare/Arkansas Blue Cross and Blue Shield
A Mutual Insurance Company
P.O. Box 1418
Little Rock, Arkansas 72203-1418
1-800-482-5525
501-378-2320

CALIFORNIA
Counties of: Los Angeles, Orange, San Diego, Ventura, Imperial, San Luis Obispo, Santa Barbara
Medicare/Transamerica Occidental Life Insurance Co.
Box 50061
Upland, California 91785-0061
1-800-675-2266
213-748-2311
Rest of State: Medicare Claims Dept.
Blue Shield of California
Chico, California 95976
(In area codes 209, 408,415, 707, 916)
1-800-952-8627
916-743-1583
(In the following area codes—**other than Los Angeles, Orange, San Diego, Ventura, Imperial, San Luis Obispo, and Santa Barbara counties**—213, 619, 714, 805, 818)
1-800-848-7713
714-824-0900

COLORADO
Medicare/Blue Cross and Blue Shield of Colorado
Claims:
P.O. Box 173560
Denver, Colorado 80217
Correspondence/Appeals:
P.O. Box 173500
Denver, Colorado 80217
(Metro Denver) 303-831-2661
(In Colorado, outside of metro area) 1-800-332-6681

CONNECTICUT
Medicare/The Travelers Ins. Co.
538 Preston Avenue
P.O. Box 9000
Meriden, Connecticut 06454-9000
1-800-982-6819
(In Hartford) 203-728-6783
(In the Meriden area) 203-237-8592

DELAWARE
Medicare/Pennsylvania Blue Shield
P.O. Box 890200
Camp Hill, Pennsylvania 17089-0200
1-800-851-3535

DISTRICT OF COLUMBIA
Medicare/Pennsylvania Blue Shield
P.O. Box 890100
Camp Hill, Pennsylvania 17089-0100
1-800-233-1124

FLORIDA
Medicare/Blue Shield of Florida, Inc.
P.O. Box 2525
Jacksonville, Florida 32231
For fast service on simple inquiries including requests for copies of Explanation of Medicare Benefits notices, requests for Medpard directories, brief claims inquiries (status or verification of receipt), and address changes:
1-800-666-7586
For all your other Medicare needs:
1-800-333-7586
904-355-3680

GEORGIA
Medicare/Aetna Life & Casualty
P.O. Box 3018
Savannah, Georgia 31402-3018
1-800-727-0827
912-920-2412

HAWAII
Medicare/Aetna Life & Casualty
P.O. Box 3947
Honolulu, Hawaii 96812
1-800-272-5242
808-524-1240

IDAHO
EQUICOR, Inc.
3150 N. Lakeharbor Lane, Suite 254
P.O. Box 8048
Boise, Idaho 83703-6219
1-800-627-2782
208-342-7763

ILLINOIS
Medicare Claims/Blue Cross & Blue Shield of Illinois
P.O. Box 4422
Marion, Illinois 62959
1-800-642-6930
312-938-8000

INDIANA
Medicare Part B/Associated Ins. Companies, Inc.
P.O. Box 7073
Indianapolis, Indiana 46207
1-800-622-4792
317-842-4151

IOWA
Medicare/IASD Health Services Inc.
(d/b/a Blue Cross & Blue Shield of Iowa)
636 Grand
Des Moines, Iowa 50309
1-800-532-1285
515-245-4785

KANSAS
Counties of: Johnson, Wyandotte
Medicare/Blue Shield of Kansas City
P.O. Box 419840
Kansas City, Missouri 64141-6840
1-800-892-5900
816-561-0900
Rest of State: Medicare/Blue Cross and Blue Shield of Kansas
P.O. Box 239
Topeka, Kansas 66601
1-800-432-3531
913-232-3773

KENTUCKY
Medicare-Part B/Blue Cross & Blue Shield of Kentucky
100 East Vine St.
Lexington, Kentucky 40507
1-800-999-7608
606-233-1441

LOUISIANA
Arkansas Blue Cross & Blue Shield
Medicare Administration
P.O. Box 95024
Baton Rouge, Louisiana 70895-9024
1-800-462-9666
(In New Orleans) 504-529-1494
(In Baton Rouge) 504-272-1242

MAINE
Medicare/Blue Shield of Massachusetts/Tri-State
P.O. Box 1010
Biddeford, Maine 04005
1-800-492-0919
207-282-5689

MARYLAND
Counties of: Montgomery, Prince Georges
Medicare/Pennsylvania Blue Shield
P.O. Box 890100
Camp Hill, Pennsylvania 17089-0100
1-800-233-1124
Rest of State: Maryland Blue Shield, Inc.
1946 Greenspring Drive
Timonium, Maryland 21093
1-800-492-4795
301-561-4160

MASSACHUSETTS
Medicare/Blue Shield of Massachusetts, Inc. .
1022 Hingham Street
Rockland, Massachusetts 02371
1-800-882-1228
617-956-3994

MICHIGAN
Medicare Part B/Michigan Blue Cross & Blue Shield
P.O. Box 2201
Detroit, Michigan 48231-2201
(In area code 313) 1-800 482-4045
(In area code 517) 1-800-322-0607
(In area code 616) 1-800-442-8020
(In area code 906) 1-800-562-7802
(In Detroit) 313-225-8200

MINNESOTA
Counties of: Anoka, Dakota, Fillmore, Goodhue, Hennepin, Houston, Olmstead, Ramsey, Wabasha, Washington, Winona
Medicare/The Travelers Ins. Co.
8120 Penn Avenue South
Bloomington, Minnesota 55431
1-800-352-2762
612-884-7171
Rest of State: Medicare
Blue Shield of Minnesota
P.O. Box 64357
St. Paul, Minnesota 55164
1-800-392-0343
612-456-5070

MISSISSIPPI
Medicare/The Travelers Ins. Co.
P.O. Box 22545
Jackson, Mississippi 39225-2545
(In Mississippi) 1-800-682-5417
(Outside of Mississippi) 1-800-227-2349
601-956-0372

MISSOURI
Counties of: Andrew, Atchison, Bates, Benton, Buchanan, Caldwell, Carroll, Cass, Clay, Clinton, Daviess, DeKalb, Gentry, Grundy, Harrison, Henry, Holt, Jackson, Johnson, Lafayette, Livingston, Mercer, Nodaway, Pettis, Platte, Ray, St. Clair, Saline, Vernon, Worth
Medicare/Blue Shield of Kansas City
P.O. Box 419840
Kansas City, Missouri 64141-6840
1-800-892-5900
816-561-0900
Rest of State: Medicare/General American Life Insurance Co.
P.O. Box 505
St. Louis, Missouri 63166
1-800-392-3070
314-843-8880

MONTANA
Medicare/Blue Cross and Blue Shield of Montana
2501 Beltview
P.O. Box 4310
Helena, Montana 59604
1-800-332-6146
406-444-8350

NEBRASKA
The carrier for Nebraska is Blue Shield of Kansas. Claims should be sent to:
Medicare Part B/ Blue Cross/Blue Shield of Nebraska
P.O. Box 3106
Omaha, Nebraska 68103-0106
1-800-633-1113
913-232-3773 (customer service site in Kansas)

NEVADA
Medicare/Aetna Life and Casualty
P.O. Box 37230
Phoenix, Arizona 85069
1-800-528-0311
602-861-1968

NEW HAMPSHIRE
Medicare
Blue Shield of Massachusetts/Tri-State
P.O. Box 1010
Biddeford, Maine 04005
1-800-447-1142
207-282-5689

NEW JERSEY
Medicare/Pennsylvania Blue Shield
P.O. Box 400010
Harrisburg, Pennsylvania 17140-0010
1-800-462-9306

NEW MEXICO
Medicare/Aetna Life and Casualty
P.O. Box 25500
Oklahoma City, Oklahoma 73125-0500
1-800-423-2925
(In Albuquerque) 505-843-7771

NEW YORK
Counties of: Bronx, Kings, New York, Richmond
Medicare B/Empire Blue Cross and Blue Shield
P.O. Box 2280
Peekskill, New York 10566
212-490-4444
Counties of: Columbia, Delaware, Dutchess, Greene, Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, Ulster, Westchester
Medicare B/Empire Blue Cross and Blue Shield
P.O. Box 2280
Peekskill, New York 10566
1-800-442-8430
212-490-4444
County of: Queens
Medicare/Group Health, Inc.
P.O. Box 1608, Ansonia Station
New York, New York 10023
212-721-1770
Rest of State: Medicare
Blue Shield of Western New York
7-9 Court Street
Binghamton, New York 13901-3197
607-772-6906
1-800-252-6550

NORTH CAROLINA
EQUICOR, Inc.
P.O. Box 671
Nashville, Tennessee 37202
1-800-672-3071
919-665-0348

NORTH DAKOTA
Medicare/Blue Shield of North Dakota
4510 13th Avenue, S.W.
Fargo, North Dakota 58121-0001
1-800-247-2267
701-282-0691

OHIO
Medicare/Nationwide Mutual Ins. Co.
P.O. Box 57
Columbus, Ohio 43216
1-800-282-0530
614-249-7157

OKLAHOMA
Medicare/Aetna Life and Casualty
701 N.W. 63rd St.
Oklahoma City, Oklahoma 73116-7693
1-800-522-9079
405-848-7711

OREGON
Medicare/Aetna Life and Casualty
200 S.W. Market St.
P.O. Box 1997
Portland, Oregon 97207-1997
1-800-452-0125
503-222-6831

PENNSYLVANIA
Medicare/Pennsylvania Blue Shield
P.O. Box 890065
Camp Hill, Pennsylvania 17089-0065
1-800-382-1274

RHODE ISLAND
Medicare/Blue Shield of Rhode Island
444 Westminster Mall
Providence, Rhode Island 02901
1-800-662-5170
401-861-2273

SOUTH CAROLINA
Medicare Part B/Blue Cross and Blue Shield of South Carolina
Fontaine Road Business Center
300 Arbor Lake Drive, Suite 1300
Columbia, South Carolina 29223
1-800-868-2522
803-754-0639

SOUTH DAKOTA
Medicare Part B/Blue Shield of North Dakota
4510 13th Avenue, S.W.
Fargo, North Dakota 58121-0001
1-800-437-4762
701-282-0691

TENNESSEE
EQUICOR, Inc.
P.O. Box 1465
Nashville, Tennessee 37202
1-800-342-8900
615-244-5650

TEXAS
Medicare/Blue Cross & Blue Shield of Texas, Inc.
P.O. Box 660031
Dallas, Texas 75266-0031
1-800-442-2620
214-235-3433

UTAH
Medicare/Blue Shield of Utah
P.O. Box 30269
Salt Lake City, Utah 84130-0269
1-800-426-3477
801-481-6196

VERMONT
Medicare
Blue Shield of Massachusetts/Tri-State
P.O. Box 1010
Biddeford, Maine 04005
1-800-447-1142
207-282-5689

VIRGINIA
Counties of: Arlington, Fairfax,
Cities of: Alexandria, Falls Church, Fairfax
Medicare/Pennsylvania Blue Shield
P.O. Box 890100
Camp Hill, Pennsylvania 17089-0100
1-800-233-1124
Rest of State: Medicare/The Travelers Ins. Co.
P.O. Box 26463
Richmond, Virginia 23261
1-800-552-3423
804-254-4130

WASHINGTON
Medicare
Mail to your local Medical Service Bureau.
If you do not know which bureau handles your claim, mail to:
King County Medical Blue Shield
P.O. Box 21248
Seattle, Washington 98111-3248

(In King County)	1-800-422-4087
	206-464-3711
(In Spokane)	1-800-572-5256
	509-536-4550
(In Kitsap)	1-800-552-7114
	206-377-5576
(In Pierce)	206-597-6530
(In Thurston)	206-352-2269

Others: Collect if out of call area.

WEST VIRGINIA
Medicare/Nationwide Mutual Insurance Co.
P.O. Box 57
Columbus, Ohio 43216
1-800-848-0106
614-249-7157

WISCONSIN
Medicare/WPS
Box 1787
Madison, Wisconsin 53701
1-800-362-7221
(In Madison) 608-221-3330
(In Milwaukee) 414-931-1071

WYOMING
Blue Cross/Blue Shield of Wyoming
P.O. Box 628
Cheyenne, Wyoming 82003
1-800-442-2371
307-632-9381

AMERICAN SAMOA
Medicare/Hawaii Medical Services Assn.
P.O. Box 860
Honolulu, Hawaii 96808
808-944-2247

GUAM
Medicare/Aetna Life and Casualty
P.O. Box 3947
Honolulu, Hawaii 96812
808-524-1240

NORTHERN MARIANA ISLANDS
Medicare/Aetna Life & Casualty
P.O. Box 3947
Honolulu, Hawaii 96812
808-524-1240

PUERTO RICO
Medicare/Seguros De Servicio De
Salud De Puerto Rico
Call Box 71391
San Juan, Puerto Rico 00936

(In Puerto Rico)	800-462-7015
(In U.S. Virgin Islands)	800-474-7448
(In Puerto Rico metro area)	809-749-4900

VIRGIN ISLANDS
Medicare/Seguros De Servicio De
Salud De Puerto Rico
Call Box 71391
San Juan, Puerto Rico 00936

(In U.S. Virgin Islands)	800-474-7448
(In St. Croix)	809-778-2665
(In St. Thomas)	809-774-3898

THE LIMITS OF MEDICARE

Unfortunately, Medicare will not take care of all your medical bills. It was never intended to cover all the health care costs of the elderly and disabled population it serves. In this section, we will outline Medicare's major "gaps" and what you can do to fill them.

The Hospital Insurance Gap

If you are seriously ill and require a long hospital stay, you could incur sizable out-of-pocket expenses:

- During the first 60 days of your hospitalization, you must pay the first $628—your annual deductible;
- From days 61 to 90, you must pay a co-payment of $157 a day (this would total $4,710);
- From days 91 to 150, you must pay a co-payment of $314 a day for each "reserve day" (you have 60 reserve days to use in your lifetime) that you use (this would total $18,840);
- Beyond 150 days, you must pay 100 percent of all hospital costs; or
- If you require care in a skilled nursing facility after your hospital stay, Medicare will pay 100 percent of the first 20 days of your stay. However, you must pay a co-payment of $78.50 a day for days 21 to 100 (this would total $6,080), and 100 percent of all costs beyond 100 days.

The Physician Coverage Gap

Gaps in physician coverage include:

- $100 annual deductible;
- 20 percent of all Medicare "approved" costs;
- 100 percent of all costs above the Medicare "approved" costs, if your physician does not accept Medicare assignment. (Note that physicians who do not accept Medicare assignment cannot exceed Medicare-approved charges by more than 25 percent (40 percent in a few cases) in 1991, 20 percent in 1992, and 15 percent in 1993.)

Other costs generally not covered by Medicare include:

- routine physical examinations and tests, except some pap smears and mammograms;
- most routine foot care and dental care, including dentures;
- examinations for prescribing or fitting eyeglasses (except after cataract surgery) or hearing aids;
- most routine immunizations; and
- cosmetic surgery.

In addition, Medicare does not cover the cost of care provided outside the United States (although under certain conditions, care in Canada and Mexico might be covered).

The Prescription Drug Gap

Medicare will cover the cost of drugs furnished to you while you are hospitalized. However, it will not pay for any prescription drugs you require after you leave the hospital or skilled nursing facility. Medicare also covers very few drugs provided on an outpa-

tient basis, although Medicare will cover certain forms of chemotherapy and nutrition therapy under very limited circumstances.

Prescription drug costs have increased at a higher rate than any other medical costs and represent, for most older Americans, their highest out-of-pocket costs.

The Nursing Home Care Gap

Medicare only pays for limited skilled nursing care. It does not pay for "custodial care." This is care that could be given safely and reasonably by a person who is not medically skilled, and which is given mainly to help with activities of daily living, such as walking, bathing, and dressing.

Note that even if you are in a Medicare-participating hospital or skilled nursing facility, or you are getting care from a Medicare-participating home health agency, Medicare will not cover the cost of your care if it is mainly custodial.

Options for Filling in Medicare's Gaps

COVER THE COSTS OUT OF YOUR OWN POCKET

You may feel that you are able to pay for costs that Medicare will not cover out of your own pocket. However, it is important to keep in mind that the cost of medical care has increased almost twice as fast as the costs of other goods and services in the last decade. Thus, personal resources that are adequate today may not suffice in the future.

CONTINUE A GROUP INSURANCE POLICY YOU JOINED BEFORE AGE 65

Upon your retirement, it may be possible to convert your employer group insurance coverage to a suitable individual Medicare-supplement policy when you reach age 65.

If this is the case with your former employer, carefully compare the benefits and costs of your plan with other supplemental policies. If you switch to another supplemental policy, be sure to continue coverage under your old policy long enough to cover any waiting periods the new policy may have. A waiting period is the time between the date when you become insured and the date when the policy will pay benefits for a pre-existing condition or certain other specified illnesses.

Do not drop your policy with your former employer without adequate advice. If the premium is paid by your former employer, or even if a small amount is paid by you, it is sometimes wise to retain the policy and buy a minimum benefit supplemental policy for complete coverage.

PURCHASE A SUPPLEMENTAL OR MEDIGAP POLICY

The purpose of a Medicare supplemental policy is to fill the gaps in Medicare coverage. Such policies are called Medicare supplements, or Medigap policies, because they cover services only after Medicare pays first. It is critical to understand that different Medigap policies offer widely varying coverage and that most, as a general rule, do not cover long-term care—the type of care given mainly to help with daily living activities, such as walking, bath-

ing, eating, and dressing. Long-term care policies are generally marketed separately.

There are many insurance companies who are now selling Medigap and long-term care insurance policies. Each offers a wide variety of benefits, often making your choice both confusing and difficult. If you are interested in purchasing either a Medigap supplemental policy or a long-term care policy, make sure that you fully understand what you are purchasing. Keep in mind that 25 percent of all insurance dollars spent by senior citizens are for unnecessary or overlapping coverage.

For more information about purchasing a Medicare supplemental or long-term care policy, write to the U.S. Senate Special Committee on Aging, G–31 Dirksen, Washington, D.C. 20510–6400 and **request your free copy of "A Guide to Purchasing Medigap and Long-Term Care Insurance (Annotated)."** This document contains practical purchasing tips, as well as several useful forms that can help you decide which policy best fits your needs.

You can also obtain additional information by contacting your State Insurance Department, State Agency on Aging, or State Health Insurance Counseling Program.

JOIN A MEDICARE HEALTH MAINTENANCE ORGANIZATION

Joining a Medicare Health Maintenance Organization (HMO) is a relatively new option for Medicare beneficiaries. HMOs differ from traditional health insurance and fee-for-service physician care in that HMOs both provide and finance health care.

There are certain *advantages of joining a Medicare HMO:*

1. In an HMO, you generally pay a monthly fee which entitles you to a wide range of medical services. In exchange for the fee, you will not be charged substantial additional costs for your medical care. People who participate in HMOs tend to use their service more frequently and at earlier stages of illness.
2. HMO doctors routinely accept Medicare assignment. The HMO may also absorb the Medicare deductibles or co-insurance and provide additional benefits beyond all Medicare-approved services.
3. HMOs tend to emphasize preventive health care, an attractive benefit for many people.

You should be aware that there are certain *disadvantages of joining a Medicare HMO:*

1. The main disadvantage is that you are not able to choose your own doctors and hospital. In general, you must obtain all your health care services through the HMO. In many cases, however, this is not a real problem because many HMOs have excellent doctors and maintain first rate health care facilities.
2. To be eligible for a Medicare HMO, you must live in the HMO's geographical area for at least 9 months of the year. Therefore, if you travel a great deal, an HMO may not be a viable option for you.
3. Like other Medigap supplements, HMOs do not cover every possible health problem. For example, long-term care, as well as routine dental care, eyeglasses, and hearing aids are generally not covered.

To be eligible for a Medicare HMO, you must be enrolled in Part B. In addition, you must either be eligible for Part A or pay a higher monthly premium to the HMO. Medicare HMOs are required to have at least one 30-day open enrollment period every year.

CHAPTER 4—VETERANS' BENEFITS

OVERVIEW

If you are a veteran in the U.S. Armed Forces and have not been dishonorably discharged, you may be eligible for more than 40 different benefits and services provided by the Federal Government. Benefits can also be paid to your survivors and, in some cases, to your family while you are alive.

What Types of Benefits Are Available?

A partial list of benefits administered by the Veterans Administration include the following:

1. Compensation for service-connected disability.
2. Pension for nonservice-connected disabilities for veterans of the World Wars, the Korean conflict, and the Vietnam era. (There is a special service pension for Spanish-American War veterans.)
3. Compensation to survivors of service members who died in service or from a service-connected cause.
4. Pensions for survivors of veterans who served during the Spanish-American War, the World Wars, the Korean conflict, or the Vietnam era and died from a nonservice-connected cause.
5. Educational assistance.
6. Various life insurance programs.
7. Payment for veteran's burial expenses, burial space in a national cemetery, headstone or marker for the grave, and an American flag to drape the casket.
8. Medical service, such as hospitalization, nursing home care, examinations, outpatient medical and dental treatment, and prosthetic devices.
9. Domiciliary care.
10. Loans for homes, condominiums, and manufactured homes.

Many other services and benefits in addition to those listed above are administered by the Veterans Administration and other Departments. Note that your financial status may affect your eligibility for some services and benefits.

Where Can I Get More Information About Veterans' Benefits?

A summary of the Federal benefits available to veterans and their dependents is contained in the publication "Federal Benefits for Veterans and Dependents" (VA IS–1). This publication discusses medical, educational, loan, insurance, compensation, pension, and other programs administered by the Veterans Administration and other agencies. To purchase this document, send a written request

and $2.50 to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

A smaller pamphlet, "A Summary of Veterans Administration Benefits" may be obtained free from any Veterans Administration regional office listed in your telephone book.

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